Calendar No. 38

100TH CONGRESS
1st Session

SENATE

REPORT
100-15

HOMELESS VETERANS ASSISTANCE ACT OF 1987

REPORT

OF THE

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES SENATE

TO ACCOMPANY

S. 477

together with

ADDITIONAL AND MINORITY VIEWS

MARCH 18, 1987.—Ordered to be printed

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HOMELESS VETERANS ASSISTANCE ACT OF 1987

MARCH 18, 1987.—Ordered to be printed

Mr. CRANSTON, from the Committee on Veterans' Affairs, submitted the following

REPORT

together with

ADDITIONAL AND MINORITY VIEWS

[To accompany S. 477]

The Committee on Veterans' Affairs, to which was referred the bill (S. 477) to assist homeless veterans, having considered the same, reports favorably thereon with an amendment in the nature of a committee substitute and an amendment to the title, and recommends that the bill, as amended, do pass.

COMMITTEE AMENDMENTS

The amendments are as follows:

Strike out all after the enacting clause as follows:

[SHORT TITLE

[SECTION 1. This Act may be cited as the "Homeless Veterans Assistance Act of 1987".

ASSISTANCE IN PROVIDING SHELTER

[SEC. 2. (a) The Administrator is authorized to enter into agreements, described in subsection (b), with any organization named in, or approved by the Administrator under, section 3402 of title 38, United States Code, or any other governmental, public, or nonprofit private institution, organization, corporation, or other entity, especially any such entity working on behalf of homeless individuals, for the purpose of providing shelter primarily for homeless veterans and their families.

[(b)(1) Agreements authorized by subsection (a) are ageements pursuant to which the Administrator would, subject to paragraph (2) of this subsection—

[(A) transfer on a permanent basis or lease for a fixed period of time, for no or nominal consideration, to such an entity real property acquired by the Ad-

ministrator as the result of a default on a loan guaranteed under chapter 37 of title 38, United States Code; or

[(B) lease, for a fixed period of time or otherwise temporarily make available, to such an entity underutilized facilities under the jurisdiction of the Administrator that would be suitable for providing emergency shelter.

[(2) The Administrator may enter into an agreement under paragraph (1) only if the Administrator determines that such an action will not adversely affect the Veterans' Administration's ability to fulfill its statutory missions or to carry out other functions and administer other programs authorized by law.

[(c) In selecting entities with which to enter into agreements under subsection (a), the Administrator shall accord a preference to entities which—

[(1) have a demonstrated commitment to working with and on behalf of homeless individuals;

[(2)(A) have a demonstrated ability to establish, operate, and maintain shelters for homeless individuals, or (B) are an organization named in, or approved by the Administrator under, section 3402 of title 38, United States Code;

[(3) have a plan for utilizing the voluntary services of shelter residents to rehabilitate and repair, as necessary, such property as needed for improving habitability; and

[(4) have a plan for utilizing volunteer assistance of Veterans' Administration employees or members of veterans service organizations in the establishment, operation, and maintenance of the shelter established pursuant to such an agreement.

[(d) Any agreement entered into by the Administrator under subsection (a) shall be on such terms and conditions as the Administrator determines to be appropriate and necessary to carry out the purpose of such agreement.

[PILOT PROGRAM TO ASSIST HOMELESS VETERANS

[SEC. 3. In order to enhance the Veterans' Administration's ability to assist homeless veterans and their families and to evaluate the effectiveness of various activities in that regard, the Administrator shall, as provided for in this section, conduct a pilot program and study for a period of not less than twenty-four months in not less than ten geographic regions in which there are significant numbers of homeless veterans. In the course of such pilot program and study, the Administrator shall undertake and evaluate various activities otherwise authorized by law as well as activities—

[(1) designating individuals at Veterans' Administration facilities to coordinate official and volunteer efforts designed to assist homeless veterans and their families;

[(2) authorizing Veterans' Administration employees to seek out and cooperate with, and seek to enhance the effectiveness of the activities of, other entities providing counseling, job training, and assistance with housing to homeless individuals insofar as the activities of those entities can be of assistance to homeless veterans; and

[(3) encouraging Veterans' Administration employees to assist, on a volunteer basis, homeless veterans and their families in acquiring shelter, food, health care, and other necessities and to use for such purposes Veterans' Administration resources and facilities, not otherwise employed, where the cost to the Federal Government would be minimal.

[OUTREACH SERVICES PROGRAM

[SEC. 4. Not later than ninety days after the date of the enactment of this Act, the Administrator shall submit to the Committees a report setting forth—

[(1) a description of all efforts undertaken in the past five fiscal years under subchapter IV of chapter 3 of title 38, United States Code, to provide outreach services to homeless veterans to assist such veterans in applying for and obtaining benefits and services for which they are eligible under laws administered by the Veterans' Administration or under other laws by virtue of their veteran status;

[(2) and evaluation of the effectiveness of the efforts described pursuant to clause (1) of this section in terms of increased utilization of such benefits and services by such veterans; and

[(3) a description of, and a timetable for, any plans to expand such outreach efforts, together with an estimate of the additional resources needed for such expanded efforts.

[REPORT ON HOMELESS VETERANS

[SEC. 5. Not later than one hundred and eighty days after the date of the enactment of this Act, the Administrator, in coordination with the Secretaries of Labor, Defense, Health and Human Services, and Housing and Urban Development, shall submit to the Committees a report on the extent to which veterans are represented in the population of homeless individuals.

[(b) The report required by subsection (a) shall include, to the maximum extent feasible, statistics on—

[(1) the number of veterans, both as an absolute number and as a percentage, in the population of homeless individuals and the numbers of family members accompanying such veterans;

[(2) a breakdown showing the periods of service of such veterans;

[(3) the numbers of such veterans who, during fiscal years 1986 and 1987, received or will receive benefits and services under laws administered by the Veterans' Administration or the Department of Labor, with specific breakdowns showing the numbers who received or will receive (A) health-care services under chapter 17 of title 38, United States Code, (B) compensation under chapter 11 of such title, (C) pension under chapter 15 of such title, (D) vocational, educational, and training assistance under such title and the Veterans' Job Training Act (29 U.S.C. 721 note), or (E) job training, counseling, referral, or other vocational assistance under programs carried out or supported by the Department of Labor; and

[(4)(A) the numbers of such veterans who, if they were to apply, would be eligible for benefits and services under laws administered by the Veterans' Administration or the Department of Labor but who are not receiving such benefits and services, with a breakdown estimating the numbers who would be eligible for each of the benefits and services described in subclause (A), (B), (C), (D), and (E) of clause (3), and (B) a description of the reasons why such veterans are not receiving such benefits and services.

[(c) Not later than thirty days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit a report to the committees setting forth an implementation plan and timetable for collecting the information needed for the reported required by subsection (a).

[CHRONICALLY MENTALLY ILL VETERANS

[SEC. 5. (a) Section 235 of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, Public Law 99-576, is amended—

[(1) redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

[(2) by inserting the following new subsection (b):

[(b) The report required under subsection (a) shall also include information on the number of chronically mentally ill veterans who were furnished hospital, domiciliary, or nursing home care by the Administrator in each of fiscal years 1984, 1985, and 1986, broken down by the type of care furnished, as well as an estimate of the number of such veterans being furnished such care in fiscal year 1987, together with the Administrator's analysis of the basis for any change in the numbers of such veterans being furished any type of such care during the period beginning with fiscal year 1984 and ending with fiscal year 1987, with particular emphasis on the impact of the implementation by the Veterans' Administration of a resources allocation methodology on the numbers of such veterans being furnished any type of such care and the duration of the care furnished.".

[(b) The Administrator, in furnishing hospital, nursing home and domiciliary care and medical and rehabilitative services under chapter 17 of title 38, United States Code, shall carry out a program to (1) utilize the authority under chapter 17 of title 38, United States Code, to contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities for eligible veterans suffering from chronic mental illness disabilities, and (2) to assist such veterans in being placed in such facilities as though such facilities were community residential care facilities under section 630 of such title.

[DEFINITIONS

[SEC. 6. As used in this Act:

[(1) The term "Administrator" means the Administrator of Veterans' Affairs.

[(2) The term "committees" means the Committees on Veterans' Affairs of the Senate and House of Representatives.

[(3) The term "homeless individual" means an individual who lacks a fixed and adequate nightime residence and includes an individual whose primary residence is in a publicly or privately operated shelter which provides temporary shelter.

[(4) The term "veteran" has the meaning given that term in section 101(2) of title 38, United States Code.

[(5) The term "homeless veteran" means a veteran who is a homeless individual.]

and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Homeless Veterans' Assistance Act of 1987".

TITLE I—HOMELESS VETERANS

SEC. 101. AUTHORITY TO MAKE CERTAIN PROPERTIES AVAILABLE FOR SHELTERS.

(a) IN GENERAL.—The Administrator, within the limits of available appropriations, is authorized under this section to carry out during fiscal years 1987, 1988, and 1989 a program to assist homeless veterans and their families to acquire shelter by entering into agreements, described in subsection (b), with any organization named in, or approved by the Administrator under, section 3402 of title 38, United States Code, or any other governmental, public, or nonprofit private institution, organization, corporation, or other entity, especially any such entity working on behalf of homeless individuals, for the purpose of such entity providing shelter primarily for homeless veterans and their families.

(b) AGREEMENTS TO TRANSFER OR LEASE.—(1) Agreements authorized by subsection (a) are agreements pursuant to which the Administrator would, subject to paragraphs (2) and (3) of this subsection and to subsection (d)—

(A) transfer, for no or nominal consideration, to such an entity, title to real property acquired by the Administrator as the result of a default on a loan guaranteed under chapter 37 of title 38, United States Code; or

(B) lease, for a fixed period of time, or otherwise temporarily make available to such an entity underutilized facilities under the jurisdiction of the Administrator that would be suitable for providing emergency shelter.

(2) The Administrator may enter into an agreement under paragraph (1) only if the Administrator determines that such an action will not adversely affect the Veterans' Administration's ability to fulfill its statutory missions or to carry out other functions and administer other programs authorized by law.

(3) The Administrator may enter into an agreement under paragraph (1)(A) only if—

(A) the real property to be transferred was acquired by the Administrator at least 12 months prior to the date of any proposed transfer;

(B) the Administrator determines that the price for which the real property could likely be sold within the following 24 months, as determined by the Administrator in accordance with regulations prescribed under this section, is less than the total of the costs which the Administrator would incur during such 24 months for property taxes, insurance, assessments, maintenance and improvement, administration, and other expenses resulting from maintaining and disposing of such property;

(C) the entity to which the property is to be transferred demonstrates, to the satisfaction of the Administrator, an intention to (i) utilize the property solely as a shelter primarily for homeless veterans and their families, (ii) to abide by all zoning laws relating to the property; and (iii) to make no use of the property that is not compatible with the area where the property is located;

(D) the Administrator determines that there is no likelihood of the property being sold for a price sufficient to reduce the liability to the Veterans' Administration of the veteran who had defaulted on the loan guaranteed under chapter 37 of title 38, United States Code;

(E) the deed or other instrument by which title to the property is transferred by the Veterans' Administration contains provisions specifying that (i) the transferee will utilize the property solely as a shelter primarily for homeless veterans and their families, (ii) the transferee will comply with all applicable zoning laws in connection with its use of the property as a shelter, (iii) the transferee will give the Veterans' Administration 90 days advance written notice of any proposed sale in order that the Veterans' Administration may determine whether to exercise the right to reacquire the property as provided for in subclause (iv), and (iv) if the transferee, within 10 years of the date of the transfer, ceases to utilize the property solely as a shelter primarily for homeless

veterans and their families, the Administrator, upon tendering to the transferee within 11 years from the date of the original transfer an amount equal to the amount (if any) paid by the transferee to the Administrator for the property plus the depreciated value, as determined by the Administrator in accordance with regulations prescribed under this section, of any improvements to the property made by the transferee, shall have the right to reacquire the property; and

(F) the transferee satisfies other terms and conditions established pursuant to subsection (d).

(c) PREFERENCE FOR CERTAIN ENTITIES.—In selecting entities with which to enter into agreements under subsection (a), the Administrator shall accord preference to entities which—

(1) have a demonstrated commitment to working with and on behalf of homeless individuals;

(2)(A) have a demonstrated ability to establish, operate, and maintain shelters for homeless individuals, or (B) are named in, or approved by the Administrator under, section 3402 of title 38, United States Code;

(3) have a plan for utilizing the voluntary services of homeless individuals, or others, to rehabilitate and repair such property as necessary in order to improve its habitability; and

(4) have a plan for utilizing the volunteer assistance of Veterans' Administration employees, members of veterans' service organizations, homeless individuals, or others in the establishment, operation, and maintenance of the shelter established pursuant to such agreement.

(d) TERMS AND CONDITIONS OF INSTRUMENTS.—Any agreement, deed, or other instrument executed by the Administrator under subsection (a) shall be on such terms and conditions as the Administrator determines to be appropriate and necessary to carry out the purpose of such agreement.

(e) INVENTORY OF UNDERUTILIZED FACILITIES.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall complete an inventory of all underutilized facilities under the jurisdiction of the Administrator in order to determine which such facilities could be suitable for lease under subsection (b)(1)(B).

(f) REPORT ON FACILITIES MADE AVAILABLE.—Not later than February 1, 1989, the Administrator shall submit to the Committees a report—

(1) on real property transferred under subsection (b)(1)(A), including for each such property—

(A) information as to the price for which the Veterans' Administration acquired the property, the costs incurred by the Veterans' Administration in maintaining the property thereafter, the name of the transferee, and any price paid by the transferee, and

(B) a description of the bases on which the Administrator made a determination pursuant to subsection (b)(3)(B); and

(2) on the leasing of facilities under subsection (b)(1)(B).

SEC. 102. PILOT PROGRAM OF ACTIVITIES TO ASSIST HOMELESS VETERANS.

In order to enhance the Veterans' Administration's ability to assist homeless veterans and their families and to evaluate the effectiveness of various activities in that regard, the Administrator shall, within the limits of available appropriations and as provided for in this section, conduct a pilot program and study for a period of not less than 24 months in not less than 10 geographic regions in which there are significant numbers of homeless veterans. In the course of such pilot program and study, the Administrator shall undertake and evaluate various activities otherwise authorized by law as well as activities—

(1) to designate individuals at Veterans' Administration facilities to coordinate official and volunteer efforts designed to assist homeless veterans and their families;

(2) to authorize Veterans' Administration employees to seek out and cooperate with, and seek to enhance the effectiveness of the activities of, other entities providing counseling, job training, rehabilitation, and assistance in obtaining shelter to homeless individuals; and

(3) subject to the last sentence of this section, (A) to facilitate the efforts of Veterans' Administration employees who wish to assist, on a volunteer basis, (i) homeless veterans and their families in acquiring necessities, such as shelter, food, and health care, and rehabilitation services, training, and employment, or (ii) in any other charitable activity approved by the Office of Personnel Management pursuant to section 2 of Executive Order 12353 of March 23, 1982 (and the implementing regulations in 5 C.F.R. Part 950), or by the Administrator for the

purposes of this clause, and (B) to use, for the purpose of assisting homeless veterans and their families in acquiring such necessities, rehabilitation services, training, and employment, Veterans' Administration resources and facilities, not otherwise employed, where the cost to the Federal Government would be minimal. In carrying out activities described in clause (3), the Administrator shall prescribe regulations to ensure that (i) no Veterans' Administration employee shall coerce in any fashion another such employee to participate in volunteer activities described in such clause, (ii) each Veterans' Administration employee in such geographic areas is specifically advised to report to the Inspector General of the Veterans' Administration any apprehension that his or her job evaluation or opportunity for advancement, assignment, or promotion was adversely affected by non-participation in such volunteer activities, and (iii) any Veterans' Administration employee found, pursuant to prescribed personnel procedures, to have engaged in coercive conduct in violation of such regulations shall be subject to disciplinary action, including suspension.

SEC. 103. OUTREACH SERVICES PROGRAM.

Not later than 90 days after the date of the enactment of this Act, the Administrator, within the limits of available appropriations, shall submit to the Committees a report setting forth—

(1) a description of all efforts undertaken in fiscal years 1986 and 1987 under subchapter IV of chapter 3 of title 38, United States Code, to provide outreach services to homeless veterans to assist them in applying for and obtaining benefits and services for which they are eligible under laws administered by the Veterans' Administration or under other laws by virtue of their veteran status;

(2) any information available on the increased utilization of such benefits and services by such veterans as a result of the efforts described in clause (1) to assist them in securing necessities, such as shelter, food, and health care, rehabilitation services, training, and employment, together with a description of all follow-through activities related to such outreach services; and

(3) a description of, and a timetable for, any plans to expand such outreach efforts (including necessary training of outreach personnel) and follow-through activities, together with an estimate of the additional resources needed for such expanded efforts.

SEC. 104. SURVEY OF HOMELESS VETERANS.

(a) CONDUCT OF SURVEY.—Not later than 180 days after the date of the enactment of this Act, the Administrator, in coordination with the Secretaries of Labor, Defense, Health and Human Services, and Housing and Urban Development and within the limits of available appropriations, shall (1) conduct a survey to determine (A) the extent to which veterans are represented in the population of homeless individuals, and (B) the information described in subsection (b), and (2) submit to the Committees a report on the results of such survey.

(b) REPORT.—The report required by subsection (a) shall include, to the maximum extent feasible, estimates of—

(1) the number of veterans, both as an absolute number and as a percentage, in the population of homeless individuals and the numbers of family members accompanying such veterans;

(2) a breakdown showing the periods of service of such veterans and subgroupings of such veterans, including those with families, those with chronic mental illness disabilities, and those with substance abuse disabilities;

(3) the numbers of such veterans who, during fiscal years 1986 and 1987, received or will receive benefits and services under laws administered by the Veterans' Administration or the Department of Labor, with specific breakdowns showing the numbers who received or will receive (A) health-care services under chapter 17 of title 38, United States Code, (B) compensation under chapter 11 of such title, (C) pension under chapter 15 of such title, (D) vocational, educational, and training assistance under such title or the Veterans' Job Training Act (29 U.S.C. 721 note), or (E) job taining, counseling, referral, or other vocational assistance under programs carried out or supported by the Department of Labor; and

(4)(A) the numbers of such veterans who, if they were to apply, would be eligible for benefits and services under laws administered by the Veterans' Administration or (by virtue of their veteran status) the Department of Labor but who are not receiving such benefits and services, which a breakdown estimating the numbers who would be eligible for each of the benefits and services described in subclauses (A), (B), (C), (D), and (E), of clause (3), and (B) a description of the reasons why such veterans are not receiving such benefits and services.

(c) Not later than 30 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees a report setting forth an implementation plan and timetable for collecting the information needed for the report required by subsection (a).

SEC. 105. CHRONICALLY MENTALLY ILL VETERANS.

(a) REPORT ON INSTITUTIONAL CARE FURNISHED MENTALLY ILL VETERANS.—Section 235 of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, Public Law 99-576, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting the following new subsection (b):

"(b) The report required under subsection (a) shall also include information on the number of veterans being treated by the Veterans' Administration for mental illness disabilities who were furnished hospital, domiciliary, or nursing home care by the Administrator in each of fiscal years 1984, 1985, and 1986, broken down by the type of care furnished, as well as an estimate of the number of such veterans being furnished such care in fiscal year 1987, together with the Administrator's analysis of the basis for any change in the numbers of such veterans being being furnished any type of such care during the period beginning with fiscal year 1984 and ending with fiscal year 1987, with particular emphasis on the impact of the implementation by the Veterans' Administration of a resource allocation methodology on the numbers of such veterans being furnished any type of such care and the duration of the care furnished.".

(b) PILOT PROGRAM OF CONTRACT COMMUNITY-BASED RESIDENTIAL CARE.—(1) During the period beginning on the date of the enactment of this Act and ending on September 30, 1989, the Administrator shall conduct a pilot program, utilizing the authority in section 620C of title 38, United States Code, (as added by section 2(a) of Public Law 100-6), to provide care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities to homeless veterans suffering from chronic mental illness disabilities.

(2) Not later than February 1, 1989, the Administrator shall submit to the Committees a report on the experience under the pilot program prior to October 1, 1988, and the recommendation of the Administrator (and reasons therefor) as to whether the pilot program should be continued.

(3) In carrying out the pilot program provided for in this subsection, the Administrator may not expend more than $5,000,000 in fiscal year 1987, nor more than $10,000,000 in each of fiscal years 1988 and 1989.

(c) CONTINUATION OF CONTRACT COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL CARE AUTHORITY.—Section 2(c) of Public Law 100-6 is amended by inserting "in fiscal year 1987" after "limited".

(d) EXPANSION OF CONTRACT COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL CARE ELIGIBILITY.—Section 620C of title 38, United States Code, is amended—

(1) in subsection (a)(3)—

(A) by resdesignating clauses (A), (B), and (C) as clauses (B), (C), and (D), respectively; and

(B) by inserting a new clause (A) as follows:

"(A) has a chronic mental illness disability rated as servcie-connected;";

(C) amending clause (C) (as redesignated by clause (1)(A) of this subsection) by striking out "homeless" and inserting in lieu thereof "a homeless individual"; and

(2) by adding at the end of subsection (a) the following new paragraph:

"(4) The term 'homeless individual' means an individual who lacks a fixed and adequate nighttime residence and includes an individual whose primary residence is in a publicly- or privately-operated shelter which provides temporary shelter.".

SEC. 106. VETERANS' JOB TRAINING ACT AMENDMENTS.

(a) DEFINITIONS.—Section 3 of the Veterans' Job Training Act, Public Law 98-77 (29 U.S.C. 1721 note) is amended by adding at the end the following new paragraph:

"(4) The term 'homeless individual' has the meaning given that term in section 620(a)(4) of title 38, United States Code.

(b) EXPANSION OF ELIGIBILITY.—Section 5(a)(1) of such Act is amended—

(1) by inserting "(i)" after "(B)";

(2) by striking out the period at the end of subclosure (i), as redesignated by clause (1) of this subsection, and inserting in lieu thereof a semicolon and "or"; and

(3) by adding at the end the following new subclause:

"(ii) is (I) a veteran with a service-connected disability rated at 30 percent or more, or (II) a homeless individual.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 16 of such Act is amended—

(1) by striking out "$65,000,000 for fiscal year 1986" and inserting in lieu thereof "a total of $65,000,000 for fiscal years 1986, 1987, and 1988"; and

(2) by striking out "September 30, 1988" and inserting in lieu thereof "September 30, 1989".

(d) EXTENSION OF TERMINATION DATES.—Section 17(a) of such Act is amended—

(1) in clause (1), by striking out "January 31, 1987" and inserting in lieu thereof "December 31, 1987"; and

(2) in clause (2), by striking out "July 31, 1987" and inserting in lieu thereof "June 30, 1988".

SEC. 107. DEFINITIONS.

As used in this Act:

(1) The term "Administrator" means the Administrator of Veterans' Affairs.

(2) The term "Committees" means the Committees on Veterans' Affairs of the Senate and House of Representatives.

(3) The term "homeless individual" has the meaning given that term in section 620C(a)(4) of title 38, United States Code.

(4) The term "veteran" has the meaning given that term in section 101(2) of title 38, United States Code.

(5) The term "homeless veteran" means a veteran who is a homeless individual.

TITLE II—VIETNAM-ERA VETERANS' READJUSTMENT COUNSELING PROGRAM AND RELATED REPORTS

SEC. 201. POSTPONEMENT OF TRANSITION PERIOD FOR READJUSTMENT COUNSELING PROGRAM AND DUE DATE OF RELATED REPORTS.

(a) POSTPONEMENT OF TRANSITION PERIOD.—Section 612A(g) of title 38, United States Code, is amended—

(1) in paragraph (1) by striking out "September 30, 1989" and inserting in lieu thereof "September 30, 1990";

(2) in paragraph (1)(A)—

(A) by striking out "October 1, 1989" and inserting in lieu thereof "October 1, 1990"; and

(B) by striking out "centers located" and all that follows through "such health-care facilities" and inserting in lieu thereof "Vet Centers to a program providing readjustment counseling services primarily through Veterans' Administration general health-care facilities";

(3) in paragraph (2)(A)—

(A) by striking out "April 1, 1987" and inserting in lieu thereof "April 1, 1988"; and

(B) by striking out "(or" and all that follows through "available)";

(4) in paragraph (3)—

(A) by striking out "July 1, 1987" and inserting in lieu thereof "July 1, 1988"; and

(B) by striking out "(or" and all that follows through "available)";

(5) in paragraph (4)—

(A) by striking out "February 1, 1989" and inserting in lieu thereof "February 1, 1990"; and

(B) by striking out "experience" the first place it appears and all that follows and inserting in lieu thereof "Administrator's evaluation of the experience under as much of the transition as was carried out pursuant to paragraph (1) of this subsection prior to September 30, 1989, and, based on that evaluation, the results of the study required by section 102 of the Veterans' Health Care Amendments of 1983 (Public Law 98-160), and other pertinent information regarding the readjustment counseling program, the Administrator's opinion as to the extent to which the provision of readjustment counseling services under this section through Vet Centers is needed to meet the readjustment needs of veterans who served on active duty during the Vietnam era."; and

(6) by adding at the end the following new paragraph:

"(5) For the purposes of this subsection:

"(A) The term 'Vet Centers' means facilities which are operated by the Veterans' Administration for the provision of services under this section and which are situated apart from Veterans' Administration general health-care facilities.

"(B) The term 'Veterans' Administration general health-care facilities' means health-care facilities operated by the Veterans' Administration for the furnishing of health-care services under this chapter, not limited to services provided through the programs established under this section.".

(b) POSTPONEMENT OF REPORT DUE DATE.—Section 102(b) of the Veterans' Health Care Amendments of 1983 (Public Law 98-160; 97 Stat. 994) is amended by striking out "Octobert 1, 1986" and inserting in lieu thereof "October 1, 1987".

Amend the title so as to read:

A bill to assist homeless veterans and their families by authorizing the Administrator of Veterans' Affairs to transfer or lease certain properties to non-profit entities for use as shelters, by requiring the Administrator to conduct a pilot program of activities to assist homeless veterans, to report on outreach services to such veterans, to conduct a survey of such veterans, and to conduct a pilot program of contract community-based residential care for homeless veterans suffering from chronic mental illness disabilities, and by extending the Veterans' Job Training Act and expanding homeless veterans' eligibility thereunder; to provide for a one-year postponement of the transition period for the Vietnam-era veterans readjustment counseling program and related reports; and for other purposes.

INTRODUCTION

S. 477 was introduced on February 4, 1987, by the Chairman of the Committee, Senator Alan Cranston, and was cosponsored by Committee Members Matsunaga, DeConcini, Mitchell, Rockefeller, and Graham. As introduced, S. 477 contained provisions which would: First, authorize the VA to transfer—by sale or lease for no or nominal consideration—properties, acquired as a result of defaults, in the VA's inventory to veterans' organizations and other non-profit organizations for use as shelters primarily for homeless veterans and their families; second, authorize the VA to lease to the same types of organizations underutilized VA facilities for use as emergency shelters primarily for homeless veterans and their families; third, require the VA to conduct in ten geographical areas a 2-year pilot program to improve the agency's ability to assist homeless veterans and their families; fourth, require the VA to report on its outreach efforts to homeless veterans and on any plans to increase such efforts; fifth, require the VA, in coordination with the Departments of Labor, Health and Human Services, Housing and Urban Development, and Defense, to report on the number and service periods and other major characteristics of veterans who are homeless and the veterans' benefits and services they are eligible to receive; sixth, require the VA to provide certain information on the number of veterans being treated by the agency for chronic mental illness disabilities; and, seventh, require the VA to carry out a program of contract community-based residential care for veterans suffering from chronic mental illness.

On January 6, 1987, Senator Cranston, with the cosponsorship of Committee Members Matsunaga, DeConcini, Mitchell, Rockefeller, and Graham, and Senator Lautenberg, introduced S. 6, section 4(b) of which would have the effect of providing for a 1-year delay, from October 1, 1987, to October 1, 1988, in the start of the transition of the VA's readjustment counseling program from a program providing services primarily through Vet Centers—facilities located apart from general VA health-care facilities—to a program providing such services primarily through general VA health-care facilities, and, second, the due dates for three related reports and the report on the VA's post-traumatic-stress-disorder/postwar-psychological-

problems study. Also on January 6, Committee Member DeConcini, with the cosponsorship of the Chairman and Committee Members Matsunaga, Mitchell, and Rockefeller, and Senator Lautenberg, introduced S. 279, which would directly postpone by one year the start of the 2-year transition period and the four report due dates.

On February 19, 1987, Committee Member Rockefeller, with the cosponsorship of the Chairman and Committee Members DeConcini, Matsunaga, Mitchell, and Graham, and Senator Kerry, introduced S. 553 which would make eligible for the Veterans Job Training Act (VJTA) program without satisfying the length-of-unemployment criterion those unemployed Korean-conflict and Vietnam-era veterans who are homeless; extend through FYs 1987 and 1988 the authorization of appropriations for FY 1986 ($65 million, of which $35 million was appropriated in FY 1986) for VJTA; and postpone by approximately 6 months the deadlines for veterans to apply for VJTA participation (from July 2, 1987, to December 31, 1987) and to enter training (from January 2, 1988, to June 30, 1988).

On February 18 and 19, 1987, the Committee held hearings at which testimony was received on section 4(b) of S. 6 and on S. 279, S. 477, and the subject matter of S. 553. Testimony was received from Administrator of Veterans' Affairs Thomas K. Turnage; Assistant Secretary of Labor for Veterans' Employment and Training Donald E. Shasteen; a panel of homeless veterans; representatives of the Mortgage Bankers Association of America, the National Association of Home Builders, and the National Association of Realtors; and representatives of The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the AMVETS, the Paralyzed Veterans of America, and the Vietnam Veterans of America. A written statement was submitted by the Non Commissioned Officers Association.

After carefully reviewing the testimony from these hearings, the Committee met in open session on February 26, 1987, and voted to report S. 477 favorably to the Senate with an amendment in the nature of a substitute which incorporated provisions derived from S. 477 as introduced, from section 4(b) of S. 6, and from S. 279 and S. 553, and a title amendment.

Summary of S. 477 as Reported

S. 477 as reported (hereinafter referred to as the "Committee bill") has two titles: Homeless Veterans and Vietnam-Era Veterans' Readjustment Counseling Program and Related Reports, as follows:

TITLE I—HOMELESS VETERANS

This title includes provisions designed to provide assistance to homeless veterans and their families that would:

1. Authorize the VA, during FYs 1987, 1988, and 1989, to enter into agreements with veterans' organizations and other non-profit entities, to transfer to such entities, for no or nominal consideration, title to certain hard-to-sell dwellings from the VA's inventory of over 21,000 properties (which it has acquired as a result of

defaults on VA loans) for use as shelters primarily for homeless veterans and their families.

2. Authorize the VA, during FYs 1987, 1988, and 1989, to lease to the same kinds of organizations as are described in item 1, above, underutilized VA facilities for use as emergency shelters for homeless veterans; and require the VA to make an inventory of its underutilized facilities so as to identify those that might be suitable for leasing.

3. Require the VA to establish a pilot program, for at least 2 years in ten geographic areas with significant populations of homeless veterans, whereby various activities would be undertaken to improve the VA's ability to assist homeless veterans and their families.

4. Require the VA to report on (1) its outreach efforts in FY 1986 and 1987 to assist homeless veterans to receive the health care, job counseling, income maintenance support, and other benefits and services for which they may be eligible, and (2) any plans to increase those efforts.

5. Require the VA, in coordination with the Departments of Labor, Health and Human Services, Housing and Urban Development, and Defense, to conduct a survey to estimate the number and service-periods of veterans who are homeless and what veterans' benefits they are eligible to receive.

6. Require the VA, as part of a statutory report on the treatment of chronically mentally ill veterans, to provide information on the number of veterans being treated by the agency for mental illness disabilities who were furnished inpatient care by the VA in FYs 1984 through 1986 and an estimate of those furnished such care in FY 1987, together with an analysis of any change in the numbers of such veterans furnished such care during the period covered by the report, with a particular emphasis on any impact on such numbers from the implementation of the VA's new resource allocation methodology.

7. Require the VA to carry out a 2½ year pilot program (in FYs 1987, 1988, and 1989) of contracting for community-based residential care for homeless veterans suffering from chronic mental illness (CMI) disabilities, and to submit a report, by February 1, 1989, on the first 18 months' experience under this pilot program.

8. Provide for the continuation beyond FY 1987 of the VA's authority to contract for community-based psychiatric residential care for certain veterans with CMI disabilities, and expand that authority to include care for veterans who need such care for a service-connected CMI disability.

9. Extend through FYs 1987 and 1988 the current authorization of appropriations for FY 1986 ($65 million, of which $35 million was appropriated in FY 1986) for the Veterans' Job Training Act (VJTA), make eligible for the VJTA program without satisfying the length-of-unemployment criterion those unemployed veterans who are homeless or who have service-connected disabilities rated at 30 percent or more, and postpone by approximately 6 months the deadlines for veterans to apply for VJTA participation (from July 2, 1987, to December 31, 1987) and to enter training (from January 2, 1988, to June 30, 1988).

TITLE II—VIETNAM-ERA VETERANS' READJUSTMENT COUNSELING PROGRAM AND RELATED REPORTS

This title contains provisions relating to the VA's readjustment counseling program for Vietnam-era veterans and to various reports that would:

1. Provide for a 1-year delay, from October 1, 1987, to October 1, 1988, of the date by which the VA's readjustment counseling program for Vietnam-era veterans is to begin a 2-year, gradual transition from being a program providing counseling services primarily through Vet Centers, which are located apart from the VA's general medical facilities, to a program providing services primarily through the VA's general medical facilities.

2. Provide for 1-year delays in the due dates to three reports relating to the transition—from April 1, 1987, to April 1, 1988, in the case of a report from the Administrator setting forth the Administrator's views and recommendations on the future of the readjustment counseling program; from July 1, 1987, to July 1, 1988, in the case of a report on the VA's plans for the transition and from February 1, 1989, to February 1, 1990, on the experience under the first year of the transition.

3. Provide for a 1-year delay, from October 1, 1986, to October 1, 1987, in the due date of the VA's report on the prevalence and incidence of post-traumatic stress disorder and other post-war psychological problems among Vietnam veterans.

DISCUSSION

TITLE I—HOMELESS VETERANS

Background

The homeless situation in the country has reached near crisis proportions. In testimony at the Committee's February 18 hearing, Dr. Ray Cloutier, a consultant to the Department of Labor on homeless veterans, stated that on any given night there are between 300,000 to 350,000 homeless persons in the United States. Also, according to HUD figures, about one third of the homeless on any given night have been homeless for less than thirty days and perhaps another one third—the hard core homeless—have been homeless for a year or more.

A paper presented at the 1986 Annual Meeting of the American Public Health Association in Washington, D.C., entitled "Homeless Veterans in Los Angeles County", indicated that a survey conducted in eight cities and the State of Ohio showed that veterans constituted about one-third of the homeless population. Estimates on this matter vary widely. For example, Committee Chairman Cranston, in both his introductory remarks on S. 477 on February 4 and in his opening statement at the Committee's February 18 hearing, noted that, during a visit he made in January 1987 to a shelter operated by the Community for Creative Non-Violence (CCNV) here in Washington, D.C., Mitch Snyder, the Director of CCNV, told him that, based on observations in a large number of cities, more than half the homeless individuals are veterans. During the February 18 hearing, Jesse Moses, a resident of that same shelter, stated that

he estimated that as much as 60 percent of the homeless persons lodged in that facility were veterans.

Reasons given for the great extent of homelessness in our society vary; for example, at a hearing before the Subcommittee on education, Training and Employment of the House Committee on Veterans' Affairs in September 1986, Maria Foscarinis, Washington Director of the National Coalition for the Homeless, testified that the scarcity of low-income housing is one of the more significant causes of today's homelessness. Ms. Foscarinis stated further that, over the past six years, there has been a significant reduction in funding for federal housing programs and that, simultaneously, the conversion of inexpensive housing into luxury condominums and cooperatives in the private housing market has further shrunk the supply of low-cost housing; and that, as a result, increasing numbers of poor persons have been literally squeezed out of the housing market into the ranks of the homeless.

According to Mayor Joseph Riley of Charleston, South Carolina, during his testimony at a January 29 hearing of the Subcommittee on Housing and Urban Affairs of the Senate Committee on Banking, Housing, and Urban Affairs, no longer are the ranks of the homeless filled with the images that come most readily to mind: that of the hobo or the derelict. Today, homeless individuals come from many diferent segments of society. Many, until recently, were employed and were productive members of society who, because of industrial cutbacks, find themselves unemployed or, as can also be the case, employed but employed in unskilled jobs that do not pay sufficient wages to meet the high rents that even squalid living quarters can now command in many urban areas. Many of those who fall into the homeless category are families with children. Dr. Harvey R. Vieth, Chairman of the Federal Task Force on the Homeless, Family Support Administration of the Department of Health and Human Services, told the House Subcommittee at its September 10, 1986, hearing:

> The traditional image of the homeless person as a middle-aged white, male alcoholic no longer holds true. In fact, on the average, homeless persons today are in their mid-thirties. Various studies have shown that the homeless consist of 60 to 66 percent single men, 12 to 13 percent single women and 21 to 27 percent family groups.

Specific factors contributing to homelessness among veterans that were enumerated during all of these hearings include various mental disabilities, serious alcohol or drug abuse problems, and psychological problems related to combat.

According to testimony provided by Donald E. Shasteen, Assistant Secretary for Veterans' Employment and Training of the Department of Labor, at a September 1986 hearing of the Subcommittee on Education, Training, and Employment of the House Veterans' Affairs Committee, it was reported that up to one third of homeless individuals have required mental health services, especially for chronic mental illness. This population is generally assumed to include those individuals who were released from various protective settings as a result of the current national policy that favors deinstitutionalization. In the same testimony, Mr. Shasteen

also stated that thirty to forty percent of the homeless population are reported to have serious alcohol and/or drug abuse problems. These substance abuse problems in turn are associated with a higher incidence of health problems, less successful employment experiences, and fewer support systems.

Among homeless veterans, there are certainly those who returned from their military service with physical and mental disabilities, especially those who served in a combat area. In the absence of proper rehabilitation and training, these physical and mental disabilities often prevent these veterans from securing employment. According to a recent homeless research study conducted in Baltimore by researchers in the Department of Psychiatry and Behavioral Sciences in the School of Medicine at the Johns Hopkins University:

> It is difficult to interpret what role military service might play in the life history of homeless persons. . . . The alienation experienced by many homeless people may be compounded by the sense of rejection described by some Vietnam veterans. . . .
>
> VA benefits, including health services, though available in major cities where the homeless congregate, are underutilized. . . . Problems of accessibility and acceptability within the VA system should be identified and remedial action taken to correct deficiencies. Where necessary, special services to address the needs of homeless veterans should be developed.
>
> In addition to traditional health, mental health and alcoholism treatment services, these services should include outreach, transportation to often remote sites for care, rehabilitation, and resettlement. . . .

The Committee notes that homeless veterans testified at the Committee's February 18 hearing that they had made use of the benefits to which their veterans status made them eligible. One testified that the VA had a regular presence at the shelter where he lived.

A February 10, 1987, report of the Select Committee on the Homeless of the Council of the City of New York regarding homelessness and veterans in New York City succinctly stated recommendations designed to eliminate the plight of the homeless veterans there. First, it recommended that government must "reach out" to the homeless veterans; second, that stable housing must be provided; and, finally, that a veteran who has been reached and housed must be rehabilitated. The Committee bill seeks to address all of these issues.

Ronald W. Drach, National Employment Director of the Disabled American Veterans, during his appearance before the Senate Banking Committee's Subcommittee on Housing and Urban Affairs, urged that all agencies both public and private must provide their expertise and respective services to assist in alleviation of the problem of homeless veterans. He further stated that the failure of any one provider of services to live up to its responsibility would significantly diminish the possibility of successfully combatting homelessness.

The Veterans' Administration is charged with responding to the needs of the Nation's veterans. This fact was recognized by Rank-

ing Minority Member Murkowski on January 29, 1987, when he offered an amendment to H.J. Res. 102 to earmark $5 million of the transfer of $50 million in that measure for homeless persons assistance to be used for treatment of homeless and chronically mentally ill veterans:

> . . . The veterans of this country are a special class, a very special class. We can never repay our debt to our Nation's veterans. To exclude them from a provision that provides relief for the homeless I think is inappropriate.

It is with this background in mind that we move forward with S. 477 to provide a comprehensive approach to assisting homeless veterans.

Assistance in Providing Shelter

Section 101 of the Committee bill, which is derived from section 2 of S. 477 as introduced, would authorize the VA, within the limits of available appropriations, to carry out a program during FYs 1987, 1988, and 1989 to make available, to veterans' service organizations or other nonprofit entities, certain hard-to-sell foreclosed houses from the VA's inventory and underutilized VA facilities for use as shelters primarily for homeless veterans and their families.

Committee bill

The Committee recognizes that the roots of homelessness, in the population in general and among veterans, are many and that no one program or specific effort will be adequate to resolve this difficult problem. Nevertheless, the Committee believes that providing shelter can be an important step in any overall program of assistance.

In this regard, and in further recognition of the VA's fundamental mission of providing needed assistance to veterans, the Committee bill includes provisions that will enable the VA, in a modest way, to assist in the provision of shelter for homeless veterans and their families. Specifically, the Committee bill would provide for the VA to assist in the furnishing of shelter in two principal ways:

> First, the VA would be authorized to transfer, for no or minimal consideration, title to hard-to-sell houses that the VA acquired as a result of foreclosures and that have been in the agency's inventory in excess of 12 months. These properties could be made available to veterans' organizations and other non-profit organizations, including local governmnents, for use primarily as shelters for homeless veterans and their families.
>
> Second, the VA would be authorized to lease, for a fixed period of time, underutilized VA facilities to the same type of entities for use primarily as shelters for homeless veterans and their families.

In neither case would the VA actually operate any of the resultant shelters or be responsible for the activities of those who would.

A number of changes were made to S. 477 as introduced in response to concerns raised at the Committee's hearings in this area. For example, in order to ensure that the VA would not retain any administrative involvement or responsibility for a shelter operated

in leased property that remains in the agency's inventory, the authority for such leases of foreclosed homes was eliminated. In response to concerns voiced about whether shelters established in property that has been in the VA's inventory would be operated in violation of zoning laws, the Committee bill includes a provision that would require the VA, prior to any transfer of peoperty, to gain assurances from the transferee that the property will be used solely as a shelter principally for homeless veterans and their families, that all applicable zoning laws will be complied with, and that the transferee will make no use of the property that is incompatible with the neighborhood. In addition to these assurances from a transferee, the Committee bill would require that the deed transferring the property include specific provisions requiring adherence to all zoning laws. The deed also would have to give the United States Government a right of reverter if the transferee, within 10 years of the transfer, ceases to use the peoperty for other than a shelter and a right of 90 days advance written notice of any proposed sale by the transferee so that the VA could make a decision whether to exercise its right of reverter.

In order to ensure that transfers of peoperty for the purpose of providing shelter to homeless veterans do not have an adverse effect on the integrity of the Loan Guaranty Revolving Fund, the Committee bill would expressly limit the authority to transfer houses to properties that have been in the inventory for at least 12 months and which are unlikely to sell for a price that would cover the VA's costs for maintaining and disposing of the property. Finally, in response to concerns that the authority to transfer properties from the inventory could somehow result in a financial detriment to the defaulting veterans, the Committee bill includes a provision pursuant to which the Administrator would be required to affirm, prior to trnasfer, that there is no likelihood that the VA could sell the poroperty for a price sufficient to reduce a defaulting veteran's liability.

In addition, the Committee wishes to make clear that the provision regarding the VA's right to reclaim title to a property in the event that it is used for a purpose oither than a shelter during the first 10 years after transfer is not intended to require the VA to make periodic inspections or otherwise to maintain the use of transferred properties. Rather, it is the Committee's intention simply to provide the Government with the opportunity, if it wishes to take advantage of it, to reclaim a property when such a non-complying use is brought to the VA's attention. The Committee believes that any flagrant non-complying uses would be likely to create sufficient controversy that the matter would come to the VA's attention one way or another.

Pilot Program to Assist Homeless Veterans

Section 102 of the Committee bill, which is derived from section 3 of S. 477 as introduced, would require the Administrator, within the limits of available appropriations, to conduct a pilot program and study in not less than ten geographical locations for a period of not less than 24 months to evaluate various activities that might assist homeless veterans and their families.

Committee bill

Under the Committee bill, activities that might be undertaken as part of the pilot program would include those otherwise authorized by law—such as outreach efforts under subchapter IV of chapter 38 of title 38, United States Code—as well as other activities specified in the Committee bill, including designating VA employees at the VA pilot program facilities involved to coordinate official and volunteer efforts to assist homeless veterans, authorizing VA employees to seek out and cooperate with non-VA organizations which assist homeless individuals, and facilitating the activities of VA employees who wish to assist homeless veterans on a volunteer basis. The Committee expects that the employees who will be designated to coordinate, and be otherwise involved in, these various activities will be existing personnel—such as VA Voluntary Service employees, veterans benefit counselors, and Vet Center personnel—who are already in positions of directly assisting veterans who come to the VA. No additional staff is contemplated for this pilot program.

With reference to the authority to facilitate VA employees' volunteer efforts (such as providing flexibility in scheduling an employee's duty periods or lunch hours), the Committee bill, in response to concerns raised at the Committee's hearings regarding the potential for pressure being placed on VA employees under this authority, includes a very strong anti-coercion provision. Under this provision, the Administrator would be required to prescribe regulations to ensure that no VA employee would coerce in any fashion any other VA employee in order to get such an employee to participate in volunteer activities and also sets forth a mechanism for reporting to the VA's Inspector General any apprehension an employee may have about retribution in connection with non-participation in such volunteer activities. Additionally, the regulations would be required to ensure that an agency employee who attempts to coerce an employee to volunteer for any activities under this legislation would be subject to appropriate disciplinary action.

Finally, because of concerns that singling out homeless veterans for volunteer assistance would give special priority to that cause and could unfairly work to the disadvantage of other worthy causes, the Committee bill also would authorize the Administrator to facilitate volunteer activity in support of any other charitable activity approved by the Director of the Office of Personnel Management, under 5 C.F.R. Part 950, in connection with certifying organizations for participation in the Combined Federal Campaign, or otherwise designated by the Administrator.

The Committee stresses that the VA generally has a strong record of encouraging voluntary charitable activities by its employees.

Outreach Services Program

Section 103 of the Committee bill, which is derived from section 4 of S. 477 as introduced, would require the Administrator, within the limits of available appropriations, not later than 90 days after the enactment of this measure, to report on the VA's outreach efforts to homeless veterans and on ways those efforts could be im-

proved in order to assist these veterans in receiving the health care, job counseling, rehabilitation services, and income maintenance support for which they may be eligible.

Committee bill

In view of the VA's existing mandate in subchapter IV of chapter 3 of title 38, United States Code, to provide outreach services to veterans and because of the Committee's belief that the VA could play an important role in helping a homeless veteran address the problems that led to the veteran's being homeless, the Committee bill contains a provision to assess and promote the VA's outreach efforts. Specifically, the Administrator would be required to submit a report on the VA's outreach efforts to homeless veterans that have occurred or will occur during FYs 1986 and 1987 under that statutory mandate. This report is also to include information on any changes in the utilization of benefits by homeless veterans as a result of VA outreach efforts, a description of all follow-through activities carried out by the agency in connection with its outreach efforts, a description of, and timetable for, any plans to expand outreach efforts, and an estimate of additional resources needed to accomplish such plans.

Survey of Homeless Veterans

Section 104 of the Committee bill, which is derived from section 5 of S. 477 as introduced, would require the VA, within the limits of available appropriations, in coordination with the Departments of Labor, Defense, Health and Human Services (HHS), and Housing and Urban Development (HUD), to conduct a survey to develop an estimate of the number of veterans, by service period, who are homeless and the veterans benefits for which they are likely to be eligible.

Committee bill

In response to the strong support voiced by those who testified regarding homeless veterans at the Committee's hearings about the lack of reliable information at present on the population of homeless veterans, the Committee bill includes a provision that would mandate the VA, in coordination with the Departments of Labor, Defense, HHS, and HUD, to carry out a survey to determine the number of veterans in the overall homeless population. The Committee does not minimize the difficulty inherent in trying to develop a reliable estimate of the overall number of homeless individuals and recognizes that seeking to determine the size of a subset of that universe—namely, homeless veterans—is even more difficult. However, without some estimate of this population, it becomes very difficult for the Congress or the VA or other Executive Branch departments or agencies to develop and carry out effective, appropriate programs targeted on this population.

The report on this survey would be due within 180 days of the date of the enactment of this measure. In response to concerns expressed at the Committee's hearings about the difficulty in developing precise figures, the Committee bill calls for only *estimates* of the numbers of homeless veterans in various subgroupings. Specifi-

cally, the survey and report would be required to provide estimates on the total number of homeless veterans and their dependents, a breakdown showing periods of service for the overall population of homeless veterans with subgroupings showing the numbers with families and those with chronic mental illness or substance abuse disabilities. In addition, the survey and report would be required to include estimates of the numbers of homeless veterans who received or will receive various veterans benefits and services in FYs 1986 and 1987—including VA health care, compensation or pension benefits, and employment benefits from the Department of Labor—and on the numbers of veterans who would likely be eligible for such benefits if they were to apply for them.

Chronically Mentally Ill Veterans

Section 105 of the Committee bill, which is derived from section 6 of S. 477 as introduced, would amend on ongoing VA study mandated in 1986 to require that study to provide information on the numbers of veterans suffering from mental illness disabilities being furnished hospital, domiciliary, or nursing home care by the VA in each of the last 3 fiscal years, as well as an estimate for the current fiscal year, and to discuss any changes over those years in the number of such veterans being furnished each type of care, with a particular emphasis on any changes resulting from the VA's implementation of a new resources allocation methodology. This section of the Committee bill would also amend the VA's existing authority to contract for community-based residential treatment services for veterans suffering from chronic mental illness (CMI) disabilities, so as to require the VA to use that authority in connection with a 2½ year pilot program targeted on homeless veterans suffering from CMI disabilities, to provide eligibility for the CMI contract care to veterans for the treatment of their service-connected CMI conditions, and to provide that the authority to expend funds under the new CMI contract authority would not terminate at the end of FY 1987.

Committee bill

Because of general concerns that a significant percentage of homeless individuals are suffering from CMI disabilities and of concerns expressed by The American Legion during the Committee's hearings that the VA's resource allocation methodology may be leading to premature and inappropriate discharges of such veterans, the Committee bill would amend section 235 of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, Public Law 99-576, relating to VA services furnished to veterans suffering from CMI disabilities, to require that the study mandated by that section now include information on the number of veterans suffering from mental illness disabilities who were furnished hospital, domiciliary, or nursing home care by the VA in each of the last 3 fiscal years, FYs 1984, 1985, and 1986—and an esitmate in each category for FY 1987—and to analyze any changes in the numbers of such veterans being furnished each type of care with a particular emphasis on any changes resulting from the VA's implementation of its resource allocation methodology for allocating funds to

VA health-care facilities. In this regard, the Committee notes that it is particularly interested in the impact of the VA's adoption of the diagnosis related group methodology (known as "DRGs") with respect to mental illnesses. Such information would better enable the VA, the Committee, and the Congress to attempt to meet the needs of homeless veterans suffering from CMI disabilities and, to the extent it appears that inappropriate discharge decisions are being made, to work to correct that situation.

With further reference to this study provision, S. 477 as introduced would have required information on the numbers of veterans with "chronic mental illness disabilities" who were furnished the various types of VA care. The specification with regard to "chronic" was eliminated in response to the VA's testimony at the Committee's February 18 hearing that information has not been maintained on veterans with CMI disabilities. In view of the obvious importance that the Committee attaches to the VA's improving its CMI treatment, the Committee urges the VA to start maintaining data with regard to veterans with CMI disabilities as soon as possible.

The Committee bill also requires the VA to conduct a 2½ year pilot program, utilizing the new authority in section 620C of title 38, United States Code, which was just recently provided to the agency by section 2 of Pubilc Law 100–6, to provide contract community-based residential care to certain veterans suffering from CMI disabilities. The Committee bill would target the new, general authority in section 620C on homeless veterans in order to provide them with such community-based care through the use of the $5 million that was transferred to the VA for FY 1987 by Pubilc Law 100–6 to fund the new section 620C authority. The Committee understands that the VA is prepared to expend the $5 million entirely for services for homeless veterans with CMI disabilities, and this provision in the Committee bill would provide clear legislative support and direction for that plan. In addition, the Committee bill would authorize the expenditure of up to $10 million in each of the next 2 fiscal years in support of this pilot program to assist homeless veterans.

Further the Committee bill includes a provision to amend section 620C so as to provide eligibility for contract community-based residential care to veterans for treatment of their service-connected CMI conditions. Under section 620C as enacted, eligibility for this contract care is limited to veterans suffering from CMI disabilities who either are being furnished VA inpatient care for a CMI disability, are homeless, or have a 50-percent-or-more service-connected disability. Adding veterans being treated *for* service-connected CMI disabilities to the list of eligibles would have the effect of rectifying an inequity in current law that provides eligibility for the new contract authority for one category of non-service-connected, non-institutionalized veterans—namely homeless veterans—suffering from CMI and provides no such eligibility to veterans in need of treatment for their service-connected CMI disabilities. Providing for the treatment of veterans; service-connected disabilities has always been a top priority for the Committee and the Congress, especially with reference to the use of contract facilities.

Finally, the Committee bill includes some amendments to both Public Law 100-6 and new section 620C so as to improve the new contract authority. Specifically, Public Law 100-6 would be amended so as to make the $5 million limitation on the use of the authority applicable only during FY 1987, and section 620C would be amended so as to include a definition (derived from section 201(i) of H.R. 558, the proposed "Urgent Relief for the Homeless Act", as passed by the House on March 5, 1987) of "homeless individual" identifying those intended to be served and for targeting care on them in the pilot program.

Veterans' Job Training Act

Section 106 of the Committee bill, which is derived from S. 553, would extend through FYs 1987 and 1988 the authorization of appropriations under the Veterans' Job Training Act (VJTA); extend by approximately 6 months the deadlines for application for VJTA participation and entry into job training programs under VJTA; and provide certain unemployed Korean-conflict and Vietnam-era veterans who either are homeless or have service-connected disabilities with eligibility for training under VJTA without regard to the length-of-unemployment criterion in current law, namely unemployment for at least 10 of the 15 weeks preceding the veteran's VJTA application.

Background

VJTA is designed to promote training and employment opportunities for long-term jobless Vietnam-era and Korean-conflict veterans through a program of cash incentives to employers to help them defray the costs of employing and providing training to such veterans. The VJTA program was originally established in 1983 with the enactment of the Emergency Veterans' Job Training Act of 1983, Public Law 98-77. Made eligible for a VJTA job-training position were unemployed veterans who had served during the Korean conflict or Vietnam era and were unemployed for 15 out of the 20 weeks preceding their application and who either had more than 180 days active service or were discharged or released from service for a disability or are entitled to VA service-connected disability compensation.

The 1983 law authorized appropriations of a total of $300 million for FYs 1984 and 1985, $150 million of which was appropriated by the FY 1984 Continuing Appropriations Act, Public Law 98-151, and the FY 1984 Supplemental Appropriations Act, Public Law 98-181. Section 212 of the Veterans' Benefits Improvements Act of 1984, Public Law 98-543, extended by 5 months the original deadlines for applications and for entry into training to February 28, 1985, and September 1, 1985, respectively. This act also extended by 1 year, until the end of FY 1987, the date by which the program's existing funds could be expended to assist veterans in gaining needed job training under VJTA.

On September 30, 1985, with the enactment of section 4 of Public Law 99-108, the date by which a veteran could enter into training was further extended from September 1, 1985, to July 1, 1986.

On January 13, 1986, with the enactment of section 201 of the Veterans' Compensation Rate Increase and Job Training Amendments of 1985, Public Law 99–238, the program was amended to extend further the participation deadlines regarding application and entry into a training program to July 2, 1987, and January 2, 1988, respectively; to authorize an FY 1986 appropriation of $65 million; to delete "Emergency" from the title of the Act; to reduce, from 15-to-20 weeks to 10-to-15 weeks preceding his or her application, the period a veteran must be unemployed; and to require that contact be made with participating veterans on at least a monthly basis and that counseling services be made available to them and their employers.

Committee bill

Extension of authorization of appropriations. The Committee notes that VJTA has provided over 47,000 veterans with the opportunity to gain the skills and on-the-job experience needed to help them break away from sustained unemployment and build more productive lives for themselves and their families. Moreover, the benefits of VJTA extend, beyond the veterans themselves, to society in general in a number of ways, including reduced public assistance payments, higher revenues from increased taxable income, and greater community stability stemming from reduced unemployment.

Among the measurable benefits accruing to veterans as a result of their participation in VJTA is increased earning power. A 1985 report, carried out by Centaur Associates, Inc., entitled *Final Report: Evaluation of the Emergency Veterans' Job Training Program,* found that veterans, while participating in VJTA, earn $50 more per week than veterans eligible for but who do not participate in the program and, in the year following training, about $2,200 more.

The Committee also notes that VJTA is highly popular among those employers who have provided job training programs to veterans under VJTA. In general, according to the Centaur report, the supervisors of participating veterans rank the job performance of these veterans from good to excellent and the employers express an interest in hiring other veterans through VJTA.

In order to provide for the continuation of this job training program, and especially to make it more readily accessible to assist homeless veterans as well as those veterans with service-connected disabilities rated at 30 percent or more, section 106 of the Committee bill would extend through FYs 1987 and 1988 the FY 1986 authorization of appropriations for VJTA ($65 million, of which $35 million was appropriated for FY 1986) and extend by nearly 6 months the dates governing application and entry into training from July 2, 1987, to December 31, 1987, and from January 2, 1988, to June 30, 1988, respectively. With regard to the $30 million that would be authorized to be appropriated for VJTA under this provision, this funding in FY 1987 would enable approximately 10,000 additional veterans to participate in VJTA training programs.

In connection with funding for VJTA, the Committee is pleased that officials of the Department of the Treasury have recently reversed an earlier determination that approximately $1.6 million of

the remaining FY 1984 appropriation for VJTA—which, according to the VA, could increase to as much as $8 million by the end of FY 1987 due to deobligations from veterans terminating their VJTA training—could not be spent after the end of FY 1986. The Department's revised decision will allow these funds to be used to provide an estimated 2,700 additional veterans the opportunity to take part in job training under VJTA through the end of FY 1987.

Expansion of eligibility. As part of its program to deal with the problem of homelessness among our nation's veterans, the Committee is proposing that VJTA be amended so that it can help alleviate the serious problem of joblessness among homeless veterans. In this regard, the Committee notes that, as in the case with the general population of homeless persons, three major underlying causes of veterans' homelessness need to be dealt with—substance abuse, chronic mental illness, and unemployment. During the past 6 months, the Congress has addressed two of these causes. In section 4002 of the Anti-Drug Abuse Act of 1986, Public Law 99-570, Congress provided a $10.4-million increase in funding for the VA's drug and alcohol treatment programs, and in section 2 of Public Law 100-6, which transferred $50 million to the Emergency Food and Shelter Program, the Congress enacted a $5 million FY 1987 initiative for providing contract community-based residential treatment programs to certain veterans, including those who are homeless, suffering from chronic mental illness disabilities. As discussed above with respect to section 105 of the Committee bill, the Committee proposes to build on the latter initiative by extending the contract authority and providing for its utilization through the end of FY 1989 in a pilot program to care for homeless veterans, for which $10 million would be authorized to be appropriated in each of FYs 1988 and 1989.

As a complementary part of this effort to reduce homelessness among veterans, section 106 of the Committee bill would waive for homeless veterans the requirement under current law that VJTA participants be unemployed 10 of the 15 weeks preceding application to the program. This provision reflects the Committee's belief that every reasonable opportunity should be afforded homeless veterans to help them return to the mainstream of American life. The Committee's intent in proposing to waive the unemployment criterion is to provide an opportunity for homeless veterans to receive vitally-needed job training through gainful employment.

Section 106 would also waive the 10-of-15-weeks unemployment requirement under VJTA for 30-percent-or-more service-connected disabled veterans who as a group experience significantly higher rates of unemployment than non-disabled veterans. The Committee is deeply concerned over the high rate of joblessness among seriously disabled veterans. Extending eligibility without regard to length of unemployment to service-connected disabled veterans with disability ratings of 30 percent or more is consistent with the Committee's actions over the years to recognize the special needs of these veterans and to help enable them to gain economic independence. As part of that effort, under section 5(c) of VJTA, employers may receive payments to defray the costs of providing training up to 15 months for veterans with service-connected disabilities rated 30 percent or more as compared to 9 months for others veterans. Like-

wise, the needs of veterans with service-connected disabilities rated 30 percent or more also receive special attention through the disabled veterans' outreach program and the local veterans' employment representative program under chapter 41 of title 38, "Job Counseling, Training, and Placement Serivces for Veterans", and through the affirmative action activities required by federal contractors under chapter 42, "Employment and Training of Disabled and Vietnam-Era Veterans". Special recognition is also afforded this category of severely disabled veterans in the veterans small business loan program under chapter 37, "Housing and Small Business Loans". Waiving the 10-of-15 weeks unemployment requirement for such veterans would enhance their opportunities for accelerated placement in VJTA training programs, which are designed to lead the permanent employment.

TITLE II—VIETNAM-ERA VETERANS' READJUSTMENT COUNSELING PROGRAM AND RELATED REPORTS

Postponement of Transition Period for Readjustment Counseling Program and Due Date for PTSD/Other Psychological Problems Interim Report

Section 201 of the Committee bill, which is substantively identical to the text of S. 279 and would generally have the same effect as section 4(b) of S. 6, would provide for a one-year postponement, from October 1, 1987, to October 1, 1988, of the date by which the VA's readjustment counseling program for Vietnam-era veterans is required to begin a two-year transition from being a program providing counseling services primarily through Vet Centers, which are facilities (often in community storefront sites or in dwellings) located apart from the VA's general health-care facilities, to being a program providing such services primarily through the VA's general health-care facilities. Section 201 would also provide for corresponding 1-year postponements of the due dates of three reports on the transition process and also a 1-year postponement—from October 1, 1986, to October 1, 1987—in the due date of a study of the prevalence and incidence of post-traumatic stress disorder and other psychological problems in readjusting to civilian life among Vietnam veterans.

Background

Public Law 96-22, the Veterans' Health Care Amendments of 1979, required the VA to provide readjustment counseling to Vietnam-era veterans. Under that law, eligible veterans had 2 years from the date of their discharge or, for those discharged prior to 1979 (the vast majority of Vietnam-era veterans), 2 years from the October 1, 1979, effective date of that law (that is, until September 30, 1981), to request readjustment counseling from the VA.

In 1981, Public Law 97-72 extended the period of eligibility to request readjustment counseling by 3 years, until September 30, 1984. That law also mandated the VA to take such steps, beginning on September 30, 1983, and ending on September 30, 1984, the new eligibility expiration date, as necessary to accomplish a transition in the Readjustment Counseling Program from one providing counseling and other services primarily through Vet Centers—which, as

was noted above, are facilities located apart from traditional VA health-care facilities—to a program providing such services primarily through traditional VA health-care facilities. The VA was also mandated to submit a report to Congress by April 1, 1984, on its plans in that regard. This transition process was mandated in order to ensure that there would be an ongoing capacity within the VA to provide the mandated readjustment counseling services to those veterans who had requested such services prior to the expiration date, and thus were eligible to complete necessary counseling.

Public Law 98-160, enacted in 1983, made the eligibility for readjustment counseling permanent, postponed the deadline for beginning the program transition to October 1, 1987, and the deadline for the transition report until July 1, 1987. In addition, that law required the VA to conduct a study—and to submit to the Committees on Veterans' Affairs a report thereon by October 1, 1986—of the prevalence and incidence of post-traumatic stress disorder and other psychological problems in readjusting to civilian life among Vietnam veterans. The Administrator was also mandated to submit a report by April 1, 1987, evaluating the effectiveness of the readjustment counseling program providing the Administrator's recommendations for the future of the program. The Administrator was also required in that report to give particular attention, in light of the results of the PTSD/other-postwar-psychological-problems study, to the provision of readjustment counseling and related mental health services to veterans with PTSD and to the diagnosis of and treatment of PTSD.

Finally, Public Law 99-576, enacted in 1986, extended the deadline for completing the program transition by 1 year, until October 1, 1989, and provided that the transition take place in an "orderly and gradual" manner over the course of 2 years, rather than 1 year. That law also modified the April 1, 1987, and July 1, 1987, reports, described above, to require that the Administrator take into account so much of the PTSD/other-postwar-psychological problems study results as were available at the time the reports were to be submitted, and mandated a third report, due by February 1, 1989, on the results of the first year of the transition.

Thus, as a result of these various laws, there are a number of milestones in current law which are related to a process whereby the existing readjustment counseling program is scheduled to undergo a 2-year transition beginning October 1, 1987, from a program providing services primarily through the Vet Centers to a program providing such services primarily through general VA health-care facilities, such as medical centers and outpatient clinics. The "primarily" criterion has been construed by the VA's General Counsel—in a White Paper prepared last year—to require that by the end of the transition period a majority of readjustment counseling programs must be operated at traditional VA facilities. The Committee agrees with this interpretation.

As was noted above, the first of the milestones relatng to the transition was October 1, 1986, the date by which the Administrator of Veterans' Affairs was required to submit to the two Veterans' Affairs Committees a report on the results of the PTSD/other-postwar-psychological-problems study. As was also noted, following that report, and takng the results of the study into consideration,

the Administrator is required under current law to submit two additional reports before the transition period begins.

The first of these—the one which is due on April 1, 1987—is required to set forth the Administrator's evaluation of the effectiveness in helping to meet the readjustment needs of Vietnam-era veterans and the Administrator's opinion on the extent to which the readjustment needs of Vietnam-era veterans remain unmet and the extent to which facilities located apart from VA health-care facilities (VetCenters) are needed to meet that need and, if so, whether there should be some modification of the transition-period requirement. The second report—the one due on July 1, 1987—must set forth the Administrator's plan for accomplishing the transition during fiscal years 1988 and 1989. Also, as just noted, as a result of a provision in Public Law 99-576, there is a requirement for a third, mid-transition report, due under current law by February 1, 1989, on the experience of the VA during the first year of the transition.

This approach of a comprehensive study together with sequenced reports was designed to enable the Congress to make informed decisions about the future of the readjustment counseling program, including the nature and timing of its integration into other VA health-care facilities. However, in a May 12, 1986, letter transmitting proposed legislation to the Congress, the VA noted that the private contractors who are carrying out the PTSD/other-postwar-psychological problems study "have experienced delays in the study's design and initiation". In view of those delays, the VA proposed moving the due date for the report on the study back one year, to October 1, 1987.

Since the time of the initial notification of problems with the study's progress, it has became apparent that the study timetable has become seriously disrupted.

In May 1986, Committee staff met with representatives of the VA and the study contractor, Research Triangle Institute, Inc., of North Carolina, to review various problems and allegations that had arisen about the scope and conduct of the study. Thereafter, on June 6, the Chairmen and ranking minority members of both the House and Senate Committees on Veterans' Affairs wrote to the Office of Technology Assessment asking OTA to convene a panel to review the situation and make recommendations. OTA did so and on September 5 issued a report to the Committees recommending some major alterations in the study personnel and the VA's supervisory relationship to the study. On November 24, 1986, the VA responded to the OTA recommendations and, late last December, Committee staff met with the VA, OTA, and representatives of the contractor. From the VA's reply and the follow-up meeting, it appears that the VA is making a bona fide effort to put the study back on track and to complete it swiftly. According to the contractor, the interim study report will be submitted a year late, on October 1 of this year, and the final report, by December 31, 1988.

Committee bill

Because the Committee continues to consider the PTSD/other-postwar-psychological-problems study important and relevant to the potential needs of Vietnam-era veterans for readjustment coun-

seling and related services, the Committee believes that, as originally conceived, it should be considered in the planning for and conduct of the transition for the Vet Center program. Thus, section 201 of the Committee bill includes provisions that would delay the start of the two-year transition period by one year, until October 1, 1988. In addition, the Committee bill would extend for a similar period the due date of the four required reports described above. These changes, if enacted, will reestablish the order and relationship between the PTSD/other-postwar-psychological-problems study and the transition process and thereby provide the Congress with appropriate information that can be taken into account in oversight activity related to the transition and in connection with any legislation relating to the transition.

The Committee notes that, during the February 18 hearing, the Administrator testified that the Administration does not object to the enactment of these provisions postponing the Vet Center transition and the various related reports due dates and that representatives of the veterans' service organizations either supported or did not object to the postponements. Moreover, the Administrator agreed to "hold up" on submitting the April 1 report in view of the Committee's intention to report legislation delaying that report for a year.

Cost Estimate

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the Congressional Budget Office (CBO), estimates that the costs resulting from the enactment of the Committee bill (as compared to costs under current law) during the first 5 years following enactment would be $26 million in budget authority and $10 million in outlays in FY 1988; $25 million in budget authority and $34 million in outlays in FY 1989; zero in budget authority and $7 million in outlays in FY 1990; and no costs in FYs 1991 and 1992. The cost estimate provided by CBO, setting forth a detained breakdown of the costs, follows.

CONGRESSIONAL BUDGET OFFICE
U.S. CONGRESS
WASHINGTON, D.C. 20515

March 4, 1987

Honorable Alan Cranston
Chairman
Committee on Veterans' Affairs
U.S. Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In response to your request, CBO has prepared the attached cost estimate for S.477, the Homeless Veterans Assistance Act of 1987, as ordered reported by the Senate Committee on Veterans' Affairs, February 25, 1987.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

Edward M. Gramlich
Acting Director

cc: Honorable Frank H. Murkowski
Ranking Minority Member

CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 4, 1987

1. BILL NUMBER: S.477

2. BILL TITLE:

The Homeless Veterans Assistance Act of 1987.

3. BILL STATUS:

As ordered reported by the Senate Committee on Veterans' Affairs, February 25, 1987.

4. BILL PURPOSE:

To authorize the Veterans Administration (VA) to transfer real property acquired through foreclosure of VA-guaranteed loans to organizations providing shelter for the homeless when such transfers will not increase the costs of the Loan Guaranty Revolving Fund; to mandate certain reports on the number of homeless veterans and the benefits and services provided to them by the VA; to extend the veterans' job training program; and for other purposes.

5. ESTIMATED COST TO THE FEDERAL GOVERNMENT:

	(By fiscal years, in millions of dollars)				
	1988	1989	1990	1991	1992
Authorization Level	26	25	0	0	0
Estimated Outlays	10	34	7	0	0

The cost of this bill would fall in budget function 700.

Basis of Estimate

The following section-by-section cost analysis only addresses those sections of the bill that would be expected to have a significant budgetary impact.

Section 101: This section would authorize the VA to transfer, for no or minimal consideration, title to real property acquired by the agency from foreclosures of VA-guaranteed loans to certain organizations for the purpose of providing shelter for homeless veterans and their families. Such transfers could only be made if the property involved had been in the VA inventory for at least 12 months, and if it is determined that the price for which the property could be sold within the following 24 months would be less than the cost of

maintaining and disposing of the property. Section 101 would also authorize the VA to lease or temporarily make available to these organizations underutilized VA facilities that would be suitable for providing emergency shelter for the homeless.

According to the VA, there are about 57 properties currently in the inventory of the Loan Guaranty Revolving Fund (LGRF) that would meet the requirements of this section for transfer to organizations for the homeless. Since the cost of maintaining and reselling these properties would, by definition, equal or exceed their market value, the effect on the LGRF of giving these properties away, should not be significant.

The VA maintains that they will be unable to determine the number, if any, of underutilized VA facilities that are both available and suitable for use as shelters for the homeless until they have completed the inventory of facilities that is required by section 101. Nevertheless, since the agency would not be responsible for providing any operating equipment or funds for such shelters, the direct cost of making underutilized areas available for this purpose should be minimal. In the long term, however, the use of VA facilities as emergency shelters for the homeless could become an additional competing use of limited space and, as such, could lead to increased requests for construction funds in the future.

Section 104: This section would require the VA to conduct a survey of homeless veterans. The survey should include estimates of the number of homeless veterans, the number of family members of such veterans, the number of such veterans with chronic mental illness disabilities and substance abuse disabilities, the number of such veterans who are currently receiving VA benefits and services, and the number who are eligible for but not receiving VA benefits and services.

	(By fiscal years, in millions of dollars)				
	1988	1989	1990	1991	1992
Estimated Authorization Level	1	0	0	0	0
Estimated Outlays	1	*	0	0	0

* Less than $500,000.

Surveys of homeless individuals are very difficult to conduct for a variety of reasons. This study would be more difficult than most, because it would involve obtaining specific information about homeless veterans, in addition to counting their number. Since many homeless individuals are mentally

ill and others do not have their personal records with them, the data obtained from the interviews would have to be verified through VA records. Further, it is expected that the VA would need to contract for assistance in the data gathering portion of the study. This cost, as well as the cost of VA staff and computer time, is estimated to be around $1 million.

Section 105: This section would require the VA to conduct a pilot program to provide care, treatment, and rehabilitative services in community-based treatment facilities to homeless veterans suffering from chronic mental illness disabilities.

	(By fiscal years, in millions of dollars)				
	1988	1989	1990	1991	1992
Estimated Authorization Level	10	10	0	0	0
Estimated Outlays	8	10	2	0	0

The language of section 105 states that the maximum that could be expended on the pilot program in 1988 and 1989 would be $10 million per year. This estimate assumes that forthcoming appropriations and expenditures would be at that maximum. Outlays were estimated according to historical spending patterns for similar activities.

Section 106: This section authorizes the appropriation of a total of $65 million for fiscal years 1986, 1987, and 1988 for the veterans' job training program. In 1986, $35 million was appropriated for this activity, leaving an authorization of $30 million for both 1987 and 1988. In addition, section 106 would extend eligibility for job training to any homeless veteran.

	(By fiscal years, in millions of dollars)				
	1988	1989	1990	1991	1992
Authorization Level	15	15	0	0	0
Estimated Outlays	1	24	5	0	0

The above estimate assumes that the $30 million remaining of the initial authorization would be appropriated in equal installments of $15 million in each of fiscal years 1987 and 1988. Outlays were estimated according to historical spending patterns for this program.

Section 201: This section would delay for one year the transition period for moving readjustment counseling activities from independent Vet Centers to VA medical centers.

There would be both cost and savings effects from postponing the restructuring of the readjustment counseling program, but

the net budgetary impact would be minimal. Additional costs would be incurred in the form of continued rent payments for some independent counseling centers. These costs would be partially offset by the postponement of the costs of moving equipment and personnel from the Vet Centers to the hospitals. Also, the cost of fee-basis counseling is expected to increase after the transition to accommodate those veterans living near a Vet Center but some distance from a hospital. This cost reduction would also be delayed.

6. ESTIMATED COST TO STATE AND LOCAL GOVERNMENTS:

The Congressional Budget Office has determined that the budgets of state and local governments would not be directly affected by enactment of this bill.

7. ESTIMATE COMPARISON: None.

8. PREVIOUS CBO ESTIMATE: None.

9. ESTIMATE PREPARED BY: K.W. Shepherd (226-2820).

10. ESTIMATE APPROVED BY:

for James L. Blum
Assistant Director
for Budget Analysis

Regulatory Impact Statement

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veteran's Affairs has made an evaluation of the regulatory impact which would be incurred in carrying out the Committee bill. The results of that evaluation are described below.

The Committee bill would authorize the VA during fiscal years 1987–89 to assist in providing shelter primarily for homeless veterans and their families by transferring, for no or nominal consideration, certain hard-to-sell residential properties to non-profit entities for use as shelters and by leasing underutilized VA facilities to such entities for emergency use; require the VA to establish a 2-year pilot program for improving the VA's effort to assist homeless veterans and their families at 10 sites, to report on its outreach efforts to, and conduct a survey of, homeless veterans and the veterans benefits and services to which they are entitled, to report certain information regarding the treatment of mentally ill veterans, and to carry out a 2 and a half year pilot programs of contracting for community-based psychiatric residential care for homeless veterans suffering from chronic mental illness disabilities and expand the eligibility criteria for contract community-based psychiatric residential care for veterans suffering from such disabilities; extend the Veterans' Job Training Act program and expand the eligibility criteria for that program; and postpone the transition period of the VA's program of readjustment counseling for Vietnam-era veterans and certain reporting requirements. The Committee finds that the Committee bill would not entail any significant regulation of any individuals or businesses. The Committee also finds that, except for the conduct of the survey of homeless veterans, the Committee bill would not entail any significant impact on the personal privacy of any individuals and that the paperwork resulting from enactment would be minimal. With respect to the survey, although homeless individuals would be asked to respond to requests for certain information regarding themselves, including their military service, their participation would be voluntary and no individually identifiable information would be required or expected to be provided in the survey report.

Section-by-Section Analysis of S. 477 as Reported

Section 1

Would provide that this Act may be cited as the "Homeless Veterans Assistance Act of 1987".

TITLE I—HOMELESS VETERANS

Section 101

Subsection (a) of section 101 would authorize the Administrator of Veterans' Affairs to carry out during FYs 1987, 1988, and 1989, within the limits of available appropriations, a program to assist homeless veterans (defined in section 107 (3) and (5) (discussed below) of the Committee bill, by reference to the definition to be added to section 620C(a) of title 38 by section 105(d)(2) (discussed below) of the Committee bill, to mean veterans who lack a fixed

and adequate nighttime residence and to include veterans whose primary residence is in a publicly- or privately-operated shelter providing temporary shelter) and their families to acquire temporary shelter. The VA would be authorized to provide this assistance by entering into agreements, as described in subsection (b) (discussed below) of this section of the bill, with any organization named in, or approved by the Administrator under, section 3402 of title 38, relating to recognition of representatives of organizations, or any other nonprofit entity, especially one working on behalf of homeless individuals, for the purpose of that entity providing shelter primarily for homeless veterans and their families.

Paragraph (1) of subsection (b) of section 101 describes the agreements referred to in subsection (a) (discussed above) of this section of the Committee bill as those pursuant to which the Administrator could, subject to the limitations prescribed in paragraphs (2) and (3) (discussed below) of this subsection of the Committee bill, do one or both of two things: Either (1) transfer, for no or nominal consideration, title to real property acquired by the Administrator as a result of default on a loan guaranteed under chapter 37 of title 38, relating to housing and small business loans, or (2) lease, for a fixed period of time, or otherwise temporarily make available to the transferee underutilized VA facilities that would be suitable for providing emergency shelter. The second clause is modeled on the comparable authority provided to the Secretary of Defense under section 2546 of title 10, United States Code, relating to the Secretary's authority to make available underutilized Defense Department facilities for the same purposes.

Paragraph (2) of subsection (b) of section 101 would limit the Administrator's authority to enter into an agreement under paragraph (1) (discussed above) of this subsection of the Committee bill by allowing the Administrator to do so only if the Administrator first determines that the agreement would not adversely affect the VA's ability to fulfill its statutory missions or to carry out other functions and administer other programs authorized by law.

Paragraph (3) of subsection (b) of section 101 would further limit the Administrator's authority to enter into an agreement under paragraph (1) (discussed above) of this subsection of the Committee bill by imposing the following conditions:

(A) The VA must have acquired the real property at least 12 months before the proposed transfer date.

(B) Administrator must first determine that the likely purchase price for the property within the following 24 months would be less than the total amount of expenses the VA would incur during such 24 months for property taxes, insurance, assessments, maintenance and improvement, administration, and other costs resulting from maintaining and disposing of the property.

(C) The entity to which the property would be transferred must demonstrate, to the VA's satisfaction, and intention to (i) utilize the property solely as a shelter primarily for veterans and their families, (ii) to abide by all zoning laws relating to the property, and (iii) to make no use of the property that is not compatible with the area where the property is located.

(D) The Administrator must first determine that there is no likelihood of the property being sold for a price sufficient to reduce the

liability to the VA of the veteran who had defaulted on the loan guaranteed under chapter 37.

(E) The deed or other instrument transferring title by the VA must specify that (i) the transferee will utilize the property solely as a shelter primarily for homeless veterans and their families, (ii) the transferee will comply with all applicable zoning laws in connection with its use of the property as a shelter, (iii) the transferee will give the VA 90 days advance written notice of any proposed sale in order that the VA may determine whether to exercise its right to reacquire the property as provided for in clause (iv) (discussed below) of this paragraph of the Committee bill, and (iv) if the transferee within 10 years of the transfer date ceases to utilize the property solely as a shelter primarily for homeless veterans and their families, the VA shall have the right to reacquire the property upon tendering to the transferee, within 11 years after the original transfer date, an amount equal to any amount paid by the transferee to the VA for the property plus the depreciated value, as determined by the Administrator pursuant to regulations, of any improvements to the property made by the transferee.

(F) The transferee must satisfy other terms and conditions established pursuant to subsection (d) (discussed below) of this section of the Committee bill.

Subsection (c) of section 101 would require the VA, in selecting entities with which to enter into agreements under subsection (a) (discussed above) of this section of the Committee bill, to accord a preference to entities which—

(1) have a demonstrated commitment to working with and on behalf of homeless individuals;

(2)(A) have a demonstrated ability to establish, operate, and maintain shelters for homeless individuals, or (B) are named in, or approved by the Administrator under, section 3402 of title 38, relating to recognition of representatives of organizations;

(3) have a plan for utilizing the voluntary services of homeless individuals, or others, to rehabilitate and repair such property as necessary in order to improve the property's habitability; and

(4) have a plan for utilizing the volunteer assistance of VA employees, members of veterans' service organizations, homeless individuals, or others in the establishment, operation, and maintenance of the shelter in question.

Subsection (d) of section 101 would require that any agreement, deed, or other instrument executed by the VA under subsection (a) (discussed above) of this section of the Committee bill shall be on such terms and conditions as the Administrator determines to be appropriate and necessary to carry out the purpose of such agreement.

Subsection (e) of section 101 would require the VA, not later than 180 days after the enactment date, to complete an inventory of all underutilized facilities under the VA's jurisdiction in order to determine which such facilities could be suitable for lease under subsection (b)(1)(B) (discussed above) of this section of the Committee bill.

Subsection (f) of section 101 would require the Administrator, not later than February 1, 1989, to submit to the Veterans' Affairs Committees of the House and Senate a report on (1) real property transferred under subsection (b)(1)(A) of this section of the Committee bill, including for each such property information as to the price for which the VA acquired the property, the costs incurred by the VA in maintaining the property thereafter, the name of the transferee, any price paid by the transferee, and a description of the bases on which the VA made a determination pursuant to subsection (b)(3)(B) (discussed above) of this section of the Committee bill regarding the relationship between the likely sale price and the VA's expenses, and (2) the leasing of underutilized VA facilities pursuant to subsection (b)(1)(B) of this section of the Committee bill.

Section 102

Would require the Administrator, in order to enhance the VA's ability to assist homeless veterans and their families and to evaluate the effectiveness of various activities in that regard, to conduct a pilot program and study, within the limits of available appropriations and as provided for in this section of the bill, for a period of not less than 24 months in not less than 10 geographic regions in which there are significant numbers of homeless veterans. The Administrator would be required to undertake and evaluate various activities otherwise authorized by law as well as activities to—

(1) designate individuals at VA facilities to coordinate official and volunteer efforts designed to assist homeless veterans and their families;

(2) authorize VA employees to seek out and cooperate with, and seek to enhance the effectiveness of the activities of, other entities providing counseling, job training, rehabilitation,and assistance in obtaining shelter to homeless individuals; and

(3) subject to the last sentence (discussed below) of this section of the Committee bill (A) facilitate the efforts of VA employees who wish to assist on a volunteer basis (i) homeless veterans and their families in acquiring necessities, such as shelter, food, and health care, rehabilitation services, training, and employment, or (ii) in any other charitable activity approved by the Director of the Office of Personnel Management pursuant to section 2 of Executive Order 12353 of March 23, 1982 (and the implementing regulations in 5 C.F.R. Part 950), or by the Administrator for the purposes of this provision, and (B) use VA resources and facilities, not otherwise employed and where the cost to the Federal Government would be minimal, to help veterans and their families obtain such necessities, rehabilitation services, training, and employment.

The last sentence of this section of the Committee bill directs the Administrator, in carrying out activities described in the third clause above, to prescribe regulations to ensure that (i) no VA employee coerces in any fashion another VA employee to participate in volunteer activities described in such clause, (ii) each VA employee in the geographic area where a pilot program is carried out is specifically advised to report to the VA Inspector General any apprehension that his or her job evaluation or opportunity for ad-

vancement, assignment, or promotion was adversely affected by non-participation in such volunteer activities, and (iii) any VA employee found, pursuant to prescribed personnel procedures, to have engaged in coercive conduct in violation of such regulations is subject to disciplinary action, including suspension.

Section 103

Would require the Administrator, not later then 90 days after the enactment date, and within the limits of available appropriations, to submit to the Veterans' Affairs Committees a report setting forth—

(1) a description of all efforts undertaken in FYs 1986 and 1987 under subchapter IV of chapter 3 of title 38, United States Code, relating to the veterans outreach services program, to provide outreach services to homeless veterans to assist them in applying for and obtaining benefits and services for which they are eligible under laws administered by the VA or under other laws by virtue of their veteran status;

(2) any information available on the increased utilization of such benefits and services by such veterans as a result of the efforts described in clause (1) above to assist them in securing food, shelter, health care, rehabilitation and training, and employment, together with a description of all follow-through activities related to those outreach services; and

(3) a description of, and a timetable for, any plans to expand those outreach efforts (including necessary training of outreach personnel) and follow-through activities, together with an estimate of the additional resources needed for such expanded efforts.

Section 104

Subsection (a) of section 104 would require the Administrator, not later than 180 days after the date of the enactment of this Act, in coordination with the Secretaries of Labor, Defense, Health and Human Services, and Housing and Urban Development and within the limits of available appropriations, to conduct a survey to determine (1) the extent to which veterans are represented in the population of homeless individuals, and (2) the information described in subsection (b) (discussed below) of this section of the Committee bill and to submit to the Veterans' Affairs Committees a report on the results of such survey.

Subsection (b) of section 104 would specify that the report required by subsection (a) (discussed above) of this section of the Committee bill must include, to the maximum extent feasible, estimates of—

(1) the number of veterans, both as an absolute number and as a percentage, in the population of homeless individuals and the numbers of family members accompanying such veterans;

(2) a breakdown showing the periods of service of such veterans and subgroupings of such veterans, including those with families, those with chronic mental illness disabilities, and those with substance abuse disabilities;

(3) the numbers of such veterans who, during FYs 1986 and 1987, received or will receive benefits and services under laws

administered by the VA or the Department of Labor, with specific breakdowns showing the numbers who received or will receive (A) health-care services under chapter 17 of title 38, relating to hospital, nursing home, domiciliary, and medical care, (B) compensation under chapter 11 of title 38, relating to compensation for service-connected disability or death, (C) pension under chapter 15 of title 38, relating to pension for non-service-connected disability or death, (D) vocational, educational, and training assistance under title 38 or the Veterans' Job Training Act (29 U.S.C. 721 note), or (E) job training, counseling, referral, or other vocational assistance under programs carried out or supported by the Department of Labor; and

(4)(A) the numbers of such veterans who, if they were to apply, would be eligible for benefits and services under laws administered by the VA or (by virtue of their veteran status) the Department of Labor but who are not receiving such benefits and services, with a breakdown estimating the numbers who would be eligible for each of the benefits and services described in subclauses (A), (B), (C), (D), and (E) of clause (3) above, and (B) a description of the reasons why such veterans are not receiving such benefits and services.

Subsection (c) of section 104 would require the Administrator, not later than 30 days after the enactment date, to submit to the Veterans' Affairs Committees a report setting forth an implementation plan and timetable for collecting the information needed for the report required by subsection (a) (discussed above) of this section of the Committee bill.

Section 105

Subsection (a) of section 105 would amend present section 235 of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, relating to a report on veterans with chronic mental illness disabilities, (1) to redesignate subsections (b) and (c), relating to definitions for the report and the deadline for the report's submission, of that section as subsections (c) and (d), respectively, and (2) to insert a new subsection (b), as follows:

New subsection (b): Would require that the report required under section 235(a) include (1) information on the number of veterans being treated by the VA for mental illness disabilities who were furnished hospital, domiciliary, or nursing home care by the VA in each of FYs 1984, 1985, and 1986, broken down by the type of care furnished, as well as (2) an estimate of the number of such veterans being furnished such care in FY 1987, together with the Administrator's analysis of the basis for any change in the numbers of such veterans being furnished any type of such care during the period beginning with FY 1984 and ending with FY 1987, with particular emphasis on the impact of the VA's implementation of a resource allocation methodology (specifically the VA's DRG-based resource allocation methodology) on the numbers of such veterans being furnished any type of such care and the duration of the care furnished.

Paragraph (1) of subsection (b) of section 105 would require the Administrator, during the period beginning on the enactment date and ending on September 30, 1986, to conduct a pilot program,

using the authority in section 620C of title 38 (as added by section 2(a) of Public Law 100-6, which makes emergency additional funds available by transfer for FY 1987 for the Emergency Food and Shelter Program of the Federal Emergency Management Agency), relating to contract community-based psychiatric residential treatment for chronically mentally ill veterans, to provide care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities to homeless veterans suffering from chronic mental illness disabilities.

Paragraph (2) of subsection (b) of section 105 would require the Administrator, not later than February 1, 1989, to submit to the Veterans' Affairs Committees a report on the experience under the pilot program carried out under this subsection of the Committee bill prior to October 1, 1988, and the recommendations of the Administrator (and reasons therefor) as to whether the pilot program should be continued.

Paragraph (3) of subsection (b) of section 105 would prohibit the Administrator from expending more than $5 million in FY 1987, and no more than $10 million in each of FYs 1988 and 1989, in carrying out the pilot program under this subsection of the Committee bill.

Subsection (c) of section 105 would amend present section 2(c) of Public Law 100-6 (noted above in the discussion of subsection (b)(1) of this section of the bill) prohibiting expenditures of more than $5 million under contracts entered into under section 620C of title 38 (described above in the discussion of section 105(b)(1) of the Committee bill) as added by section 2(b) of that public law, to make the prohibition applicable to only FY 1987.

Subclauses (A) and (B) of clause (1) of subsection (d) of section 105 would amend subsection (a)(3) of present section 620C (described above) of title 38 relating to a definition of chronically mentally ill veterans eligible for contract services under section 620C, to redesignate clauses (A), (B), and (C) as clauses (B), (C), and (D), respectively, and to insert a new clause (A), as follows:

New Clause (A): Would add to the category of those eligible for contract services under present section 620C (described above) of title 38 any veteran with a chronic mental illness disability rated as service-connected.

Subclause (C) of clause (1) of subsection (d) of section 105 would amend clause (C) (as redesignated by subclause (A) of this clause) of subsection (a)(3) of present section 620C of title 38 (described above) by striking out the reference to a veteran who is "homeless" and inserting in lieu thereof a reference to a veteran who is "a homeless individual" (a term for which a definition is provided in new paragraph (4) of section 620C as proposed to be added by clause (2) (discussed below) of this subsection of the Committee bill).

Clause (2) of subsection (d) of section 105 would amend subsection (a) of present section 620C to add a new paragraph (4), as follows:

New paragraph (4): Would define the term "homeless individual" to mean an individual who lacks a fixed and adequate nighttime residence, including an individual whose primary residence is in a publicly- or privately-operated shelter which provides temporary shelter. This definition is derived from the definition of "homeless

individual" in section 201(i) of H.R. 558, the proposed "Urgent Relief for the Homeless Act".

Section 106

Would amend the Veterans' Job Training Act (VcJTA) (Public Law 98-77, as amended by section 704 of Public Law 98-160, section 212 of Public Law 98-543, and section 201 of Public Law 99-238), which provides for a program of incentives to employers to train and employ certain long-term unemployed veterans of the Korean conflict and Vietnam era, to extend eligibility without regard to the length-of-unemployment eligibility criterion to homeless veterans and veterans with service connected disabilities rated at 30 percent or more, to extend the existing authorization of appropriations, and to extend the deadlines by which veterans must apply to participate and must enter training under the VJTA program.

Subsection (a) of section 106 would amend present section 3 of VJTA, relating to definitions, to add a new paragraph (4) providing that the term "homeless individual" would have the meaning given that term in paragraph (4) of section 620C(a) of title 38, which paragraph is proposed to be added by section 105(d)(2) (discussed above) of the Committee bill.

Subsection (b) of section 106 would amend present section 5(a)(1) of VJTA, relating to the criteria for veterans' eligibility to participate in the VJTA program, to provide eligibility, without regard to the otherwise applicable eligibility requirement that the veteran have been unemployed for 10 of the 15 weeks immediately preceding his or her application to participate, to a veteran who (1) is a homeless individual (as defined by the amendment proposed to be made by subsection (a) (discussed above) of this section of the bill) or (2) has a service-connected disability rated at 30 percent or more. Other eligibility criteria would continue to apply. Those criteria are that the veteran must be unemployed at the time of application and have served on active duty during the Korean conflict or the Vietnam era and, in the case of a veteran who either was not discharged or released for a service-connected disability or is not entitled to VA service-connected disability compensation, that the veteran must have served on active duty for at least 180 days.

Subsection (c) of section 106 would amend present section 16 of VJTA, relating to authorizations of appropriations, to make the existing authorization of the appropriation of $65 million for FY 1986 applicable to FY's 1987 and 1988 and to extend by 1 year, until September 30, 1989, the period during which appopriations under VJTA section 16 remain available.

In light of the fact that, in the Urgent Supplemental Appropriations Act, 1986 (Public Law 99-349), $35 million was appropriated for VJTA for FY 1986 pursuant to the existing authorization, the practical effect of the bill would be to authorize a total of $30 million in VJTA appropriations for FY 1987 or 1988, or both.

Subsection (d) of section 106 would amend present section 17(a) of VJTA, relating to deadlines by which eligible veterans must apply for participation in the program and enter into training under the programs, to postpone by almost 6 months, from July 2, 1987, to December 31, 1987, the deadline for applications and by almost 6

months, from January 2, 1988, to June 30, 1988, the deadline for entering training. Subsection (a) of VJTA section 17 provides that, subject to subsection (b) of section 17, the deadlines are January 31, 1987, and July 31, 1987, and subsection (b) provides that, if FY 1986 funds were appropriated but the appropriation was not enacted and made available for VJTA expenditures on or before February 1, 1986, those deadlines would be postponed until 1 year and 18 months, respectively, after the date that the funds were made available. The measure appropriating the funds in question, Public Law 99-349, was enacted on July 2, 1986, and the funds were made available to the VA on the following day. Thus, under current law, the deadlines are as noted above, July 2, 1987, and January 2, 1988.

Section 107

Would define certain terms for the purposes of title I of the Committee bill, as follows:

The term "Administrator" would mean the Administrator of Veterans' Affairs.

The term "Committees" would mean the Committees on Veterans' Affairs of the Senate and House of Representatives.

The term "homeless individual" would have the meaning given that term in section 620C(a)(4) of title 38 (as added by section 105(d)(2) (discussed above) of the Committee bill).

The term "veteran" would have the meaning given that term in section 101(2) of title 38.

The term "homeless veteran" would mean a veteran who is a homeless individual.

TITLE II—VIETNAM-ERA VETERANS' READJUSTMENT COUNSELING PROGRAM AND RELATED REPORTS

Section 201

Clause (1) and (2) of subsection (a) of section 201 would amend paragraph (1) of section 612A(g) of title 38—relating to the 2-year, gradual transition period beginning on October 1, 1987, for the readjustment counseling program carried out under that section from a program providing such services primarily through centers ("Vet Centers") located in facilities situated from other VA health-care facilities to a program providing such services primarily through general VA health-care facilities—by delaying for 1 year, from FYs 1988 and 1989 to FYs 1989 and 1990, the 2-year transition period and by substituting (1) a reference to "Vet Centers" (a term defined by new paragraph (5)(A) proposed to be added to present section 612A(g) by clause (6) (discussed below) of this subsection of the Committee bill for the phrase (described above) relating to facilities apart from VA health-care facilities), and (2) a reference to "Veterans' Administration general health-care facilities" (a term defined by new paragraph (5)(B) proposed to be added to present section 612A(g) by clause (6) (discussed below) of this subsection of the Committee bill for the phrase used in current law to describe VA health-care facilities).

Clause (3) of subsection (a) of section 201 would amend paragraph (2)(A) of present section 612A(g), relating to a report by the Administrator on the effectiveness of the program of readjustment coun-

seling and follow-up mental health services under section 612A and on the need for the program to meet the readjustment needs of Vietnam-era veterans, to postpone by 1 year, from April 1, 1987, to April 1, 1988, the date by which the report is due to be submitted to the Committees on Veterans' Affairs and to delete a reference to the use in the preparation of the report of partial information from the study mandated by section 102 of the Public Law 98–160, relating to post-traumatic stress disorder and other postwar psychological problems among Vietnam-era veterans (hereinafter referred to as the "PTSD study"), if that study is not completed by the due date of this transition report.

Clause (4) of subsection (a) of section 201 would amend paragraph (3) of present section 612A(g), relating to a report by the Administrator on the plans and timetable for carrying out the Vet Center transition, to postpone by 1 year, from July 1, 1987, to July 1, 1988, the date by which the report is due to be submitted to the Committees on Veterans' Affairs and to delete a reference to the use in the preparation of the report of partial information from the PTSD study mandated by section 102 of Public Law 98–160 (described above) if that study is not completed by the due date of this transition report.

Clause (5) of subsection (a) of section 201 would amend paragraph (4) of present section 612A(g), relating to a report on the experience under the first year of the 2-year Vet Center transition, to postpone the due date of the report by 1 year, from February 1, 1989, to February 1, 1990; to change the period covered by the report from FY 1988 to FY 1989; and to require that the report take into account the results of the PTSD study mandated by section 102 of Public Law 98–160 (described above) and include the Administrator's opinion as to the extent to which the provision of readjustment counseling services through Vet Centers is needed to meet the readjustment needs of Vietnam-era veterans.

Clause (6 of subsection (a) of section 201 would further amend present section 612A(g) to add at the end of a new paragraph (5), as follows:

New paragraph (5): Would define two terms for the purposes of section 612A(g) as follows:

The term "Vet Centers" would mean facilities which are operated by the VA for the provision of services under present section 612A, and which are situated apart from Veterans' Administration general health care facilities.

The term "Veterans' Administration general health-care facilities" would means health-care facilities operated by the VA for the furnishing of health-care services under chapter 17 of title 38, relating to hospital, nursing home, domiciliary, and medical care, not limited to services provided through the programs established under present section 612A.

Subsection (b) of section 201 would amend section 102(b) of the Veterans' Health Care Amendments of 1983 (Public Law 98–160), relating to an interim report required to be submitted by October 1, 1986, to the Veterans' Affairs Committees by the Administrator on the interim results of the PTSD study, to postpone the due date by 1 year until October 1, 1987.

Tabulation of Votes Cast in Committee

In compliance with paragraph 7 of Rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or proxy by members of the Committee on Veterans' Affairs at a February 26, 1987, meeting to consider S. 477.

The Committee agreed to report S. 477, with an amendment in the nature of a substitute, favorably to the Senate by a voice vote.

During consideration of S. 477, Senator Murkowski moved to amend the Committee bill to delete the authority to transfer certain properties for use as shelters and the provisions for the pilot program of activities to assist homeless veterans and for the survey of homeless veterans; to authorize the construction of certain domiciliary facilities and the conversion of certain buildings at VA medical centers to domiciliary facilities; to require the examination of certain other facilities for consideration for such conversion; to provide veterans who have service-connected disabilities rated at 10-to-40 percent with eligibility for contract community-based psychiatric residential care for certain non-service-connected disabilities; and to extend Veterans' Job Training Act eligibility to all veterans who are not eligible under current law. By a vote of 6 to 4, the Committee agreed to a motion made by Senator Rockefeller to table Senator Murkowski's amendment. The vote on the motion to table was as follows:

YEAS (6)	NAYS (4)
Alan Cranston	Frank H. Murkowski
Spark M. Matsunaga	Alan K. Simpson
Dennis DeConcini	Strom Thurmond
George J. Mitchell	Robert T. Stafford
John D. Rockefeller, IV	
Bob Graham	

Agency Reports

On February 10, 1987, the Committee Chairman requested the Administrator of Veterans' Affairs and the Director of the Office of Management and Budget for reports setting forth those agencies' views on S. 6. On March 11, the Chairman requested the Administrator and the Director for such reports on S. 279, S. 477, and S. 553 and the Secretary of Labor for such a report on S. 553. Since no reports have yet been received, in lieu thereof with respect to section 4(b) of S. 6 and to S. 279 and S. 477, there is here included the statement submitted by the Administrator for the Committee's February 18, 1987, hearing setting forth the VA's views on those measures. The statement follows:

STATEMENT OF

THOMAS K. TURNAGE

ADMINISTRATOR OF VETERANS AFFAIRS

BEFORE THE

COMMITTEE ON VETERANS AFFAIRS

U.S. SENATE

FEBRUARY 18, 1987

Mr. Chairman, you have requested us to present the views of the VA on legislation -- bills to modify the time period by which the VA's Readjustment Counseling Program would be phased into a program carried out primarily in VA medical centers rather than in Vet Centers, and a multi-faceted proposal intended to assist homeless veterans. Specifically, I will address the provisions of section 4(b) of S. 6 and S. 477, which you introduced, and S. 279, introduced by Senator DeConcini.

S. 279 would amend section 612A(g) of title 38, United States Code, to postpone for one year the date by which the VA's Readjustment Counseling Program would have to be changed from a program taking place primarily in Vet Centers, to a program taking place primarily in VA medical centers. It would also

amend that section to postpone for one year the dates by which the Administrator must submit various reports to the Veterans' Affairs committees of Congress regarding that change. Specifically, the bill would postpone the due date of a report presently due April 1, 1987, in which the Administrator must evaluate and report on the effectiveness of the Readjustment Counseling Program in meeting the readjustment needs of Vietnam veterans, the extent to which readjustment needs of such veterans remain unmet, and the extent to which Vet Centers are required to meet this unmet need. The bill would also postpone the due dates of a report presently due July 1, 1987, describing VA's plan for the transition of the Readjustment Counseling Program to one providing services primarily through VA medical centers, and a report presently due February 1, 1989, on VA's experience during the first year of the transition. Finally the bill would amend section 102(b) of Public Law 98-160 to postpone for one year the date by which VA must report on a study, mandated by that law, of the prevalence and incidence among Vietnam veterans of post-traumatic stress disorder and other postwar psychological problems in readjusting from service.

Section 4(b) of S. 6 has virtually the same purpose as S. 279. However, it anticipates a delay in completion of the study of post-traumatic stress disorder mandated by Public Law 98-160.

It would postpone the statutory date by which the Readjustment Counseling Program would have to undergo transition only if the findings from the PTSD study are not available in a timely fashion. Thus, section 4(b) provides that the one-year delay in the transition, and the one-year postponement of the various report due dates, would be effective only if a report on the post-traumatic stress disorder study is not submitted in sufficient time for the Administrator to consider it in responding to the requirements of the report due April 1, 1987. Section 4(b) would also add one additional requirement to the evaluation of the readjustment counseling program which the Administrator is currently required to report on by April 1 of this year. The evaluation would have to include the Administrator's analysis and findings as to whether or not veterans of World War II and the Korean conflict could benefit from readjustment counseling, and how such services could best be provided.

As you know, Mr. Chairman, VA has experienced delays in completing the PTSD study. We regret that those delays took place, but, as you are aware, there were many unforeseen problems in conducting the study. I believe the conduct of that study is now progressing satisfactorily, and I look forward to receiving a report, including some results of the study, toward the end of this fiscal year. Nevertheless, we will not have study data which could be applied to a report due by April 1 of this year.

Since 1980, by agency design, all readjustment counseling service elements have been situated in vet centers, based in communities. Several factors now make it possible to relocate some sites from vet centers to medical facilities. These factors include (1) the maturation and success of the vet center program; (2) the considerable changes which have occurred since 1980 in the relationship between Vietnam Era veterans and the VA system; and (3) the greater understanding on the part of VAMC staff of the needs of many Vietnam Era veterans and of the nature of the vet center program. Therefore, we are planning to relocate a small number of sites during this fiscal year. Although these changes in the Readjustment Counseling Program will take place, we have no objection to enactment of legislation which would postpone the statutory dates which mandate transition of the program to one taking place primarily in VA medical centers. Similarly, we would not object to the one-year postponment of the PTSD study report due date, and also the date when other reports on the transition would have to be completed.

Mr. Chairman, I now turn to our views on S. 477, which proposes certain VA efforts to assist homeless veterans. The bill contains two distinct proposals for assisting homeless veterans, and it would impose new reporting requirements on the

VA in an effort to gain more information on the extent of the homeless veteran problem. In addition, the bill would direct that VA establish and carry out a program to contract for the care of chronically mentally ill veterans in halfway houses and similar community based facilities, and it would require VA to provide additional information in a report on care of the chronically mentally ill veterans, a report mandated by Public Law 99-576, enacted last October.

First, S. 477 would authorize the Administrator to enter into agreements with various private or governmental entities, including veterans service organizations, to assist those entities in providing shelter to homeless individuals, primarily veterans and their families. Under those agreements, the Administrator would be authorized to transfer or lease to those entities, real property (primarily individual homes) which have come into VA possession as a result of defaults of VA guaranteed home loans. It would also authorize leasing of underutilized VA facilities, if those facilities would be suitable for providing emergency shelter. Any exercise of this new authority would be conditioned on its not having an adverse impact on VA's ability to carry out its other missions. In selecting entities with which to enter into agreements, preferences would have to be given to veterans service

organizations and to other entities committed to assisting the homeless, and who have a demonstrated ability, as reflected by other criteria specified in the bill, to successfully do the job.

Secondly, the bill would direct that the Administrator conduct a 2-year pilot program in ten geographic locations to evaluate various activities which may be of assistance to homeless veterans. Activities which would have to be undertaken and assessed, other than those otherwise authorized by law, are: designation of individuals at VA facilities to coordinate efforts on behalf of homeless veterans; authorization for VA employees to assist and cooperate with organizations providing counseling, job training, and housing assistance to homeless individuals; and encouragement of VA employees to voluntarily assist homeless veterans and their families and to use otherwise unemployed VA resources and facilities where cost to the government would be minimal.

In addition, the bill would establish new reporting requirements having to do with homeless veterans. It would require VA to describe all efforts the Agency has taken in the past 5 fiscal years to assist homeless veterans under our Outreach Program. The report would be required to include an evaluation of the effectiveness of those efforts, and a

description of VA plans to expand such efforts. The measure would require a second report, to be conducted in coordination with the Departments of Labor, Defense, Health and Human Services, and Housing and Urban Development and submitted within 6 months. This provision calls for a comprehensive compilation of statistical data on homeless veterans to include data on the numbers of veterans in the homeless population, the service dates of those individuals, utilization of veterans benefits by homeless veterans, and eligibility for veterans benefits by such persons if they are not receiving benefits. In addition to the provisions directly concerned with homeless veterans, S. 477 would require VA to establish a program to contract for care of chronically mentally ill veterans in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community based treatment facilities. H.J. Res. 102, enacted two weeks ago, will, if signed by the President, add a new section 620C to title 38 to give VA explicit legal authority to contract for the care of those veterans in such facilities. The provision in S. 477 would apparently require VA to establish a pilot program to use the new authority.

As a final matter, S. 477 would expand the scope of the requirement in Public Law 99-576, enacted last fall, which required VA to report on its use of home health services,

halfway houses, therapeutic communities, and other similar facilities, to provide care for chronically mentally ill veterans. This provision would require that VA also include information and an analysis regarding hospital, domiciliary, and nursing home care provided to the chronically mentally ill in VA facilities, for the years 1984, 1985, and 1986, and an estimate of such care for 1987, as well as an analysis of the impact of VA's resource allocation model on the data.

HOMELESS VETERANS

In testifying here today on a proposal calling for various efforts to attempt to help the homeless, I do so as the Administrator of an agency that has long played a major role in assisting veterans to enter the mainstream of American life. VA programs--including educational benefits, vocational rehabilitation and counseling, direct income support to the disabled, health care, and home loan guarantees--have had an enormous positive impact. Few would deny the success of these and other VA programs, and it is probable that without them, more of our population would suffer the indignity of being homeless.

The tragic phenomenon of homelessness is complex. It is not simply a problem of unemployment or lack of housing. It has its roots in changes experienced within our economy; in

changing family relationships; and for many in the pervasive effects of mental illness, alcoholism, and drug abuse. The gripping problems which impair the ability of many of the homeless to function effectively in society also complicate efforts to help them or even to obtain reliable new data on their numbers and backgrounds.

Homelessness is a societal problem. No one institution, level of government, or agency of government alone can effectively address it. We at the Veterans Administration know that there are veterans among the homeless. We are substantially involved at many levels in responding to this vexing challenge. In fact, several of the initiatives proposed in S. 477 are already being carried out, or are planned. Since "homelessness" is so often not a single problem, however, but a tragic manifestation of a constellation of problems--economic, social, and behavioral--VA can be most effective, in our view, in working in concert with local communities and other entities. We envision VA's greatest impact on this problem arising from our efforts to work with and cooperate with local communities and community based organizations that are in a position to refer veterans to our facilities.

HOUSING

Mr. Chairman, the Veterans Administration supports the initiative embodied in section 2 of the bill, that carefully selected real property acquired through foreclosures of VA guaranteed loans be put to use in the effort to assist homeless veterans. Three general principles must guide our actions in this area. First, we must respect the concerns and have sensitivity to the former "veteran" owners. Second, any decision to transfer property to assist local housing authorities and nonprofit organizations must take into account that homeless veterans are often multiply disadvantaged individuals, lacking not only shelter but also food, clothing, medical services, and social supports. Consequently, only those properties in more centralized areas with existing community services are likely to be considered by local communities. Third, the VA has the responsibility to ensure that the Loan Guaranty Revolving Fund operates in a responsible and efficient manner. With these principles in mind, a carefully supervised pilot demonstration could be implemented.

Mr. Chairman, let me say at the outset that we do give every reasonable and humane consideration to avoid homelessness for those who have lost their homes through foreclosure of a VA guaranteed mortgage. VA takes into account the physical

condition of the veteran and immediate family members who occupy a property, the effects of eviction on the family at an inappropriate time during the school year, the season during which the veteran will be requested to vacate, and the likelihood of a repurchase by the veteran if his/her financial situation has improved since the foreclosure action. Veterans are given very reasonable periods of time to locate alternative housing which is both suitable and affordable. Additionally, if Congress were to enact section 2 of S. 477, it would be imperative to administer such a program with sensitivity to the views of the veteran community at large.

VA has, in the past, offered properties for sale to local housing agencies which were seeking properties for use as low income housing. As part of our operating procedures, when it is determined that local government agencies and nonprofit housing organizations who wish to purchase VA properties are not able to bid in competition with the general public, we permit local entities to purchase properties prior to offering them for sale. In a similar vein, VA currently participates in urban homesteading programs which make certain VA properties obtained through the home loan guaranty program available to local communities for use by lower income individuals. While that program does not directly provide housing for the homeless, it indirectly helps by increasing the stock of lower income housing. The VA has transferred approximately 500

properties to HUD for use in the Urban Homesteading Program. HUD then transfers the properties to Local Urban Homesteading Agencies.

In embarking on an effort along the lines proposed in section 2 of the bill, we must acknowledge that we do not know at this time whether organizations which could obtain the VA properties for the homeless would be interested in single-family dwellings in the places VA homes may be located. There may be a greater preference for multi-family buildings in more centralized locations which have greater capacity for meeting other needs of the homeless such as food, transportation and medical care.

Let me stress, however, that while we have no objection in principle to a carefully structured initiative which would make certain VA properties available to organizations to provide shelter for homeless veterans, it is important that full ownership be transferred to the administering Agency. If a program were begun, caution would have to be exercised, and reasonable criteria would have to be developed to determine what properties could be made available. VA currently owns approximately 21,000 single-family dwellings which were acquired as a result of foreclosures of VA-guaranteed loans. These properties average 9 months from acquisition by VA to sale. The income from the sale of these properties is the main

source of funds used to pay expenses of the Loan Guaranty Program. It would not be appropriate for VA to dispose of properties which have potential for sale, as this could result in a need for increased appropriations for the Loan Guaranty Program. However, there are certainly some properties which do have potential for use in a local program to house homeless veterans.

PILOT PROGRAMS

Mr. Chairman, it has been our experience that activities which coordinate the resources of all relevant government agencies, charitable organizations, and community volunteers are most productive and beneficial. In our view, the unifying theme associated with these efforts should be integration with community leaders and resources.

On a national level we are trying to carry out those principles, as well as to foster their application at the facility level. Significantly, VA participates on a Federal Interagency Task Force on the Homeless which is devoted to removing obstacles to, and facilitating, federal responses to the issue of homelessness. For example, along with other task force members, VA has joined with HUD and the Robert Wood Johnson Foundation in a 9-city model project designed to determine appropriate comprehensive care for the chronically mentally ill homeless.

In addition, we are working with the Department of Labor in their 10-city project, Jobs for Homeless Vets. This initiative seeks to locate, rehabilitate, and employ hard-to-reach homeless veterans. VA has named 30 staff to coordinate our Agency's efforts with the local work groups. The program will deal with the comprehensive needs of these veterans, including medical or mental health care and substance abuse. It will focus on outreach, the use of available programs, and better linkages with the private sector.

At the local level, many of our facilities have already taken initiatives on behalf of homeless veterans of the kinds envisioned in section 3 of the bill. Social workers at our medical centers, for example, have played a coordinating role in working with representatives of the homeless. VA staff have visited shelters to offer evaluation and referral services to veterans, often on a voluntary basis. Social workers and counseling specialists have been among VA staff members who have met with community officials and heads of agencies providing services to the homeless.

More specifically, VA regional offices at San Francisco, Atlanta, Boston, and Phoenix are among many of our fine facilities whose veterans service officers are members of local

task forces on the homeless. Veterans Benefit Counselors from those facilities have been working with local shelters to explain available VA services and set up referral networks.

We are only just beginning to compile annual reports from our medical centers regarding ongoing efforts to assist the homeless. However, the following examples, I believe, are illustrative of the kind of role VA is playing.

In Albany, through a VA Social Work Service initiative involving the Albany Housing Authority, County Department of Social Welfare and the Travelers Aid Society, they are using five studio apartments as transitional housing for otherwise homeless veterans. A total of 35 veterans have been served by this program to date. In Bay Pines, Florida, the Chief, Social Work Service organized a coalition of social service, civic organizations and religious representatives to coordinate and plan for the provision of housing, counseling and minimal health care for homeless individuals. In Washington, D.C., VA benefits counselors, Vet Center counselors and social workers, are visiting shelters to screen veterans for possible benefits, offer rehabilitation and employment counseling. Veterans found in need of medical assistance are transported to the VAMC. The hospital is currently completing a demographic survey of the veteran homeless to determine the comprehensive needs of this

population. In Cleveland, VA's Chief of Social Work Service serves on the governance board of the Health Care for the Homeless Project, a Robert Wood Johnson Foundation Grant administered by the Federation for Community Planning.

Mr. Chairman, I would like to mention and applaud the exemplary efforts of VA officials in San Francisco who, working with city and state officials, representatives of veteran's organizations, representatives of your office, as well as persons representing others in the California delegation, have undertaken a major effort on behalf of homeless veterans in San Francisco. Last summer, all of these representatives, some 16 in total, formed a joint task force on homeless veterans. The task force determined that one of the needs of homeless veterans in San Francisco was for a medium to long-term facility to provide transitional housing in a setting which would provide a number of support services which would allow the homeless veteran to make a transition to a more stable life. As you may be aware, the task force very recently completed a final proposal for establishment for such a project which would serve 50 homeless veterans, and I understand a building to house the program has been located. Although VA will not have a role in directly administering the facility, both the Regional Office and the Medical Center in the city anticipate working very closely with the facility to offer all

VA services either on site, or at VA facilities. This effort is certainly a fine example of VA and community cooperation in assisting the homeless veteran.

OUTREACH

In the area of outreach, the focus of section 4 of S. 477, VA has conducted outreach programs for many years and has made efforts to reach homeless veterans. There are certainly many VA benefits which homeless individuals may avail themselves of if they are aware of their existence. For example, health care benefits are generally available to those in financial need who require inpatient care. The challenge is to identify the veterans, win their trust, and deliver needed services to those who are eligible. Our direct outreach efforts are ongoing; but, in candor, we have no systematic means of gauging the impact of prior VA outreach efforts.

We do agree with the underlying premise of section 4--that there is a need for a more comprehensive approach to our outreach efforts. In our experience, however, the most effective outreach appears to be outreach to those working most directly with the homeless-- shelter operators, charitable and service organizations, and social workers--who are able to make referrals to the VA. It seems particularly important,

therefore, that our regional offices and medical centers continue to stress collaborative efforts within their communities. We should stress, however, that effective outreach is only the initial concern: effective follow-through is as significant. The process of getting maximum help from the VA requires one to report to medical facilities, drug abuse clinics, regional offices, etc.; the homeless veterans often fail to keep those appointments. However, given the exemplary record of voluntary service organizations in assisting veterans, we are confident we can overcome this problem through a program of volunteers sponsoring homeless veterans and assisting them through the system.

DATA GATHERING

We generally share the concern underlying section 5 of the bill, that it would be helpful to obtain more data on the numbers and characteristics of the homeless veteran population. As we have sought to underscore in this testimony, however, VA has actively attempted to confront this problem, notwithstanding controversy surrounding its precise magnitude.

We are, of course, aware of, and my staff has been analyzing, the many surveys on the homeless that have been done in recent years. Those studies, including surveys in Los Angeles, New

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York and Ohio which sought data on veteran status, provide a basis through extrapolation to project estimates on the number of homeless veterans nationally. Certainly there are questions regarding the reliability of these data. Our best efforts to undertake still another study, however, would likely be compromised by the problems inherent in the task. Thus, the more specific the questions posed to the homeless population, the less likely the probable accuracy. In essence, we would anticipate that such a study would likely be similar to previous efforts which have simply provided a range within which the population would fall.

CHRONICALLY MENTALLY ILL VETERANS

The VA has in recent months initiated important new efforts targeted at improving care of the chronically mentally ill veteran. VA has long sought to reduce seriously ill psychiatric patients' dependency on institutional care and to improve their success at independent community living. While VA's mental hygiene clinics and day programs successfully meet the needs of thousands of patients, there remain many veterans whose community adjustment is marginal and whose reliance on institutional care is continuous because community-based programs aren't available. Because of disability, infirmity, geography, or a combination, these

veterans cannot adjust to community living unless their clinicians are able to provide treatment in the communities where they live.

We are providing $? million per year for ? years to set up and evaluate demonstration projects in the northeastern United States to provide such treatment alternatives. (We are also mounting an extensive alternative care program in Puerto Rico.) Of some 22 proposals submitted by VA medical centers, 11 have been selected for funding. Three of them are designed to allow patients who have been institutionalized for many years to be properly established and maintained in the community while projects at the eight other sites aim to strengthen the treatment of seriously ill veterans currently living in the community who frequently return to the hospital and require extensive treatment.

Last session, VA officials testified in support of legislation to permit us to conduct a pilot program to contract with halfway houses and other community-based psychiatric treatment facilities to provide care to certain veterans with chronic psychiatric disabilities. With Congress' recent enactment of H.J. Res. 102 which provides authority and funding for such a program we welcome the opportunity to establish that program and explore its effectiveness. In light of the enactment of

that provision, however, we see no need for the enactment of sections 5(a) and (b) of S. 477. In that connection, we would note that VA reporting systems for prior fiscal years did not attempt to discriminate and tabulate data on the basis of whether patients were "chronically" mentally ill or otherwise, and we cannot reasonably retrieve such data retrospectively.

In closing, let me assure you, Mr. Chairman, that VA is and will remain committed to assisting homeless veterans. We welcome the opportunity to work closely with the committee as we proceed in this important area.

CHANGES IN EXISTING LAW MADE BY S. 477 AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—UNITED STATES CODE

* * * * * * *

PART II—GENERAL BENEFITS

* * * * * * *

CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY AND MEDICAL CARE

* * * * * * *

Subchapter II—Hospital, Nursing Home or Domiciliary Care and Medical Treatment

* * * * * * *

§ 612A. Eligibility for readjustment counseling and related mental health services

(a) * * *

* * * * * * *

(g)(1) During the 24-month period ending on September 30, [1989,] *1990,* the Administrator shall take appropriate steps to ensure—

(A) the orderly, gradual transition, by October 1, [1989,] *1990,* of that part of the program established under this section for the provision of readjustment counseling services by Veterans' Administration personnel from a program providing such services primarily through [centers located in facilities situated apart from the health-care facilities operated by the Veterans' Administration for the provision of other health-care services under other provisions of this chapter to a program providing readjustment counseling services primarily through such health-care facilities;] *Vet Centers to a program providing readjustment counseling services primarily through Veterans' Administration general health-care facilities;* and

(B) the continued availability after such date of readjustment counseling and related mental health services under this section to veterans eligible for the provision of such counseling and services who request such counseling.

(2)(A) Not later than April 1, [1987,] *1988,* the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the Administrator's evaluation of the effectiveness in helping to meet the readjustment needs of veterans who served on active duty during the Vietnam

era of the readjustment counseling and mental health services provided pursuant to this section (and of outreach efforts with respect to such counseling and services). Such report shall give particular attention, in light of the results of the study required by section 102 of the Veterans' Health Care Amendments of 1983 (Public Law 98-160) [(or, if the study is not then completed, whatever information from it is then available)] to the provision of such counseling and services to veterans with post-traumatic stress disorder and to the diagnosis and treatment of such disorder.

* * * * * * *

(3) Not later than July 1, [1987,] *1988,* the Administrator shall submit to such committees a report containing a description of the plans made and timetable for carrying out paragraph (1) of this subsection. Such report shall be prepared taking into consideration the results of the study referred to in paragraph (2)(A) of this [subsection (or, if the study is not then completed, whatever information from it is then available).] *subsection.*

(4) Not later than February 1, [1989,] *1990,* the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the [experience under as much of the transition as was carried out pursuant to paragraph (1) of this subsection before September 30, 1988, including such recommendations for legislative and administrative action as the Administrator considers appropriate in light of such experience.] *Administrator's evaluation of the experience under as much of the transition as was carried out pursuant to paragraph (1) of this subsection prior to September 30, 1989, and, based on that evaluation, the results of the study required by section 102 of the Veterans' Health Care Amendments of 1983 (Public Law 98-160), and other pertinent information regarding the readjustment counseling program, the Administrator's opinion as to the extent to which the provision of readjustment counseling services under this section through Vet Centers is needed to meet the readjustment needs of veterans who served on active duty during the Vietnam era.*

(5) For the purposes of this subsection:

(A) The term "Vet Centers" means facilities which are operated by the Veterans' Administration for the provision of services under this section and which are situated apart from Veterans' Administration general health-care facilities.

(B) The term "Veterans' Administration general health-care facilities" means health-care facilities operated by the Veterans' Administration for the furnishing of health-care services under this chapter, not limited to services provided through the programs established under this section.

* * * * * * *

§ 620C. Community-based psychiatric residential treatment for chronically mentally ill veterans

(a) For the purposes of this section:

(1) The term "case management" includes the coordination and facilitation of all services furnished to a veteran by the Veterans' Administration, either directly or through a con-

tract, including, but not limited to, screening, assessment of needs, planning, referral (including referral for services to be furnished by either the Veterans' Administration or another entity), monitoring, reassessment, and followup.

(2) The term "contract facility" means any facility which has been awarded a contract under subsection (b)(1) of this section.

(3) The term "eligible veteran" means a veteran who, at the time of referral to a contract facility—

(A) has a chronic mental illness disability rated as service-connected;

[A**]** *(B)* is being furnished hospital, domiciliary, or nursing home care by the Administrator for a chronic mental illness disability; or

[B**]** *(C)* is *a* homeless *individual* and has a chronic mental illness disability; or

[C**]** *(D)* is a veteran described in section 612(1)(B) of this title and has a chronic mental illness disability.

(4) The term "homeless individual" means an individual who lacks a fixed and adequate nighttime residence and includes an individual whose primary residence is in a publicly- or privately-operated shelter which provides temporary shelter.

(b)(1) The Administrator, in furnishing hospital, nursing home, and domiciliary care and medical, and rehabilitative services under this chapter, may contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities for eligible veterans suffering from chronic mental illness disabilities.

(2) Before furnishing such care and services to any veteran through a contract facility, the Administrator shall approve (in accordance with criteria which the Administrator shall prescribe by regulation) the quality and effectiveness of the program operated by such facility for the purpose for which such veteran is to be furnished such care and services.

(c) In the case of each eligible veteran provided care and services under this section, the Administrator shall designate a Veterans' Administration health-care employee to provide case management services.

(d) In furnishing care and services under this section, the Administrator shall accord priority for such care and services in the following order:

(1) To any veteran for a service-connected chronic mental illness disability.

(2) To any veteran with a disability rated as service-connected.

(3) To any veteran for a non-serivce connected disability, if the veteran is unable to defray the expenses of necessary care as determined under section 622(a)(1) of this title.

(e) The Administrator may provide in-kind assistance (through the services of Veterans' Administration employees and the sharing of other Veterans' Administration resources) to a contract facility under this section. Any such in-kind assistance shall be provided under a contract between the Veterans' Administration and the contract facility. The Administrator may provide such assistance

only for use solely in the furnishing of appropriate services under this section and only if, under such contract, the Veterans' Administration receives reimbursement for the full cost of such assistance, including the cost of services and supplies and normal depreciation and amortization of equipment. Such reimbursement may be made by reduction in the charges to the United States or by payment to the United States. Any funds received through such reimbursement shall be credited to funds allotted to the Veterans' Administration facility that provided the assistance.

(f) Not later than 3 years after the date of enactment of this section, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the experience under this section. The report shall include the Administrator's evaluation and findings regarding—

(1) the quality of care furnished to participating veterans through contract facilities;

(2) any health advantages that may result from furnishing such care and services to veterans in such contract facilities rather than in inpatient facilities over which the Administrator has direct jurisdiction;

(3) the effectiveness of the use of contract facilities under this section in enabling the participating veterans to live outside of Veterans' Administration inpatient facilities and to achieve independence in living and functioning in their communities;

(4) the health advantages and cost effectiveness of the use of contract facilities under this section to furnish shelter and health care to homeless veterans who are suffering from chronic mental illness disabilities;

(5) the cost-effectiveness of furnishing such care through contract facilities under this section, including the effect on the average daily census in the Veterans' Administration hospitals, nursing homes, and domiciliary facilities participating in the program (taking into account whether the beds previously occupied by the participating veterans were subsequently occupied by other eligible veterans or remained unoccupied) and the effect on the numbers of Veterans' Administration staff employed at such facilities; and

(6) any plans for administrative action, and any recommendations for legislation, that the Administrator considers appropriate to include in such report.

* * * * * * *

VETERANS' JOB TRAINING ACT

(Public Law 98-77, August 15, 1983, amended by section 704 of Public Law 98-100, November 21, 1983; section 212 of Public Law 98-543, October 24, 1984; and section 201 of Public Law 99-238, January 13, 1986)

* * * * * * *

DEFINITIONS

SEC 3. For the purposes of this Act:

* * * * * * *

(4) The term "homeless individual" has the meaning given that term in section 620C(a)(4) of title 38, United States Code.

* * * * * * *

ELIGIBILITY FOR PROGRAM; DURATION OF ASSISTANCE

SEC. 5. (a)(1) To be eligible for participation in a job training program under this Act, a veteran must be a Korean conflict or Vietnam-era veteran who—

(A) is unemployed at the time of applying for participation in a program under this Act; and

(B)(*i*) has been unemployed for at least 10 of the 15 weeks immediately preceding the date of such veteran's application for participation in a program under this [Act.] *Act; or*

(ii) is (I) a veteran with a service-connected disability rated at 30 percent or more, or (II) a homeless individual.

* * * * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. There is authorized to be appropriated to the Veterans' Administration $150,000,000 for each of fiscal years 1984 and 1985 and *a total of* $65,000,000 for fiscal [year 1986] *years 1986, 1987, and 1988* for the purpose of making payments to employers under this Act and for the purpose of section 18 of this Act. Amounts appropriated pursuant to this section shall remain available until September 30, [1988.] *1989.*

* * * * * * *

SEC. 17. (a) Except as provided in subsection (b), assistance may not be paid to an employer under this Act—

(1) on behalf of a veteran who initially applies for a program of job training under this Act after [January] *December* 31, 1987; or

(2) for any such program which begins after [July 31, 1987.] *June 30, 1988.*

* * * * * * *

VETERANS' HEALTH CARE AMENDMENTS OF 1983

(Public Law 98-160, November 21, 1983)

* * * * * * *

TITLE I—VETERANS' ADMINISTRATION HEALTH-CARE PROGRAMS

* * * * * * *

STUDY OF POST-TRAUMATIC STRESS DISORDER AND OTHER POST-WAR PSYCHOLOGICAL PROBLEMS

SEC. 102. (a)(1) * * *

* * * * * * *

(b) Not later than October 1, [1986,] *1987*, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the results of the study required by subsection (a). Such report shall contain—

(1) a description of the results of the study;

(2) information regarding the capability of the Veterans' Administration to provide treatment to the number of veterans estimated in such to be suffering from post-war psychological problems;

(3) descriptions of the policies and procedures of the Veterans' Administration with respect to providing disability compensation for post-war psychological problems;

(4) a description of the activities of the Administrator in attempting to coordinate Veterans' Administration health-care and compensation programs with respect to post-traumatic stress disorder; and

(5) such recommendations for administrative and legislative action as the Administrator considers appropriate in light of the results of the study.

* * * * * * *

VETERANS' BENEFITS IMPROVEMENT AND HEALTH-CARE AUTHORIZATION ACT OF 1986

(Public Law 99-576, October 28, 1986)

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TITLE II—HEALTH CARE AND MEDICAL FACILITIES

* * * * * * *

PART D—MISCELLANEOUS

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SEC. 235. REPORT ON TREATMENT AND SERVICES FOR CHRONICALLY MENTALLY ILL VETERANS.

(a) * * *

* * * * * * *

(b) The report required under subsection (a) shall also include information on the number of veterans being treated by the Veterans' Administration for mental illness disabilities who were furnished hospital, domiciliary, or nursing home care by the Administrator in each of fiscal years 1984, 1985, and 1986, broken down by the type of

care furnished, as well as an estimate of the number of such veterans being furnished such care in fiscal year 1987, together with the Administrator's analysis of the basis for any change in the numbers of such veterans being furnished any type of such care during the period beginning with fiscal year 1984 and ending with fiscal year 1987, with particular emphasis on the impact of the implementation by the Veterans' Administration of a resource allocation methodology on the numbers of such veterans being furnished any type of such care and the duration of the care furnished.

[(b)] *(c)* DEFINITION.—For purposes of subsection (a), the term "chronically mentally ill veterans" means veterans who are eligible for health care from the Veterans' Administration and who are suffering from chronic mental illness disabilities.

[(c)] *(d)* DEADLINE FOR SUBMISSION.—The report under subsection (a) shall be submitted not later than December 15, 1987.

* * * * * * *

JOINT RESOLUTION OF FEBRUARY 12, 1987

(Public Law 100-6)

Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1987, for the Emergency Food and Shelter Program of the Federal Emergency Management Agency.

* * * * * * *

EMERGENCY FOOD AND SHELTER PROGRAM

* * * * * * *

TREATMENT AND REHABILITATION FOR CHRONICALLY MENTALLY ILL VETERANS

SEC. 2. (a) * * *

* * * * * * *

(c) Any contract authority or other spending authority granted by this section shall be limited *in fiscal year 1987* to $5,000,000.

* * * * * * *

ADDITIONAL VIEWS OF SENATOR ALAN CRANSTON ON SENATOR MURKOWSKI'S AMENDMENT

I regret that we were not able to reach agreement on a number of provisions in S. 477 as reported and want to set forth my reasons for opposing the amendment of Senator Murkowski to delete several provisions from, substitute for several provisions of, and add several provisions to the bill. The Committee voted 6 to 4 to table that amendment.

Transfer of Title to Hard-To-Sell Foreclosed Properties

The Murkowski amendment proposed to delete in section 101(a)(1)(A) of the Committee bill the provision authorizing the VA to transfer hard-to-sell houses out of the VA's inventory of foreclosure-acquired properties to non-profit organizations for use by these transferees as shelters primarily for homeless veterans and their families.

Although I did not share the principal reservations express about this provision as introduced—namely, that the VA might choose to use this discretionary authority so as to result in a significant drain on the Loan Guaranty Revolving Fund (LGRF)—or the concern raised at our hearing that utilization of the authority might result in financial harm to the defaulting veteran—we nevertheless worked very hard to modify the Committee bill to address those concerns and others raised by witnesses at our February 18 and 19 hearings. I believe we have done that fully and fairly.

Section 101(b) of the Committee bill thus was amended as follows to safeguard the Loan Guaranty program:

(1) Because of concerns that allowing the VA to lease hard-to-sell houses out of the inventory could put undue strain on the program, the provision authorizing such leasing was deleted.

(2) In order to ensure the solvency and integrity of the LGRF, the bill was amended to specify that a house has to have been in the inventory for 12 months before it can be considered for transfer. If a house had any major value, it would very likely have been sold by the VA during that period. Further, before transferring such a house, the Administrator would have to make a determination that the likely sale price would not exceed the cost to the VA, including to the LGRF, of maintaining the property—costs such as property taxes, assessments, insurance, property maintenance and improvement, and resale expenses. In short, the transfer would have to be a "wash" to the LGRF.

(3) In response to concerns that the transfer of a house pursuant to this new authority might somehow financially injure the veteran who had defaulted on the loan and thus precipitat-

ed the foreclosure, the bill was modified to require the VA to make an affirmative determination, prior to transfer, that there is no likelihood that the VA could sell the property for a price sufficient to reduce the defaulting veteran's liability. Since the veteran's liability would not be affected until the VA received a price for the property in excess of what the agency paid to acquire the property at the foreclosure sale plus whatever the VA spent while it held the property, there would seem to be no case where a potential reduction of the veteran's liability would be a significant possibility in the case of these properties of such greatly depressed value. But if there were such a possibility, the property in question could not be transferred.

(4) The bill also now requires that the transferee organization give the VA certain assurances about the intended use of the house and that the deed transferring the property also provide certain commitments, including compliance with all zoning laws and establishment of VA rights both to receive advance notice should the transferee propose selling the property and to reacquire the property upon the payment of an amount equal to whatever the transferee originally paid plus the appropriately depreciated value of any improvements. In this way, in the unlikely event that there should at a later time be a significant change in the value of the property, the VA would be able to reacquire the property, sell it itself, and realize the proceeds.

In light of the restrictions placed on what properties could be transferred by the VA, the agency estimates that, at present, there are only 57 properties that would be appropriate for transfer in geographic areas where there are shelters providing services to veterans. Obviously, then, this transfer authority is not a major solution to the problem of homelessness among veterans and their families. But, in my and a majority of the Committee's view, it is far better to move some unused houses out of the VA's inventory and use these properties compassionately to provide shelter to homeless veterans and their families, than to let these properties of little value to the agency—in fact, properties likely to be a drain on the LGRF—sit there empty . . . helping no one.

I think we've met the concerns expressed, and so do the major veterans' organizations.

This provision is supported, first and foremost, by the VA itself on behalf of the Administration. The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans and the Non Commissioned Officers' Association have each written to the effect that we have satisfied their concerns about the provision. Also, at the February 18 hearing the Vietnam Veterans of America testified in support of the provisions as revised. Further, the Paralyzed Veterans of America has advised me that it supports S. 477 as modified and does not object to the section 101 provision that the Murkowski amendment proposed to strike.

The letters referred to above are printed in the Appendix to these views.

In fairness, I note that AMVETS testified at the hearing in adamant opposition to any VA special activities to assist homeless vet-

erans and the Non Commissioned Officers Association, which did not appear to testify at the hearing and thus did not hear my exchanges with the organizations about modifications, submitted a February 26, 1987, letter in opposition to the provision in its original but not its modified form. Subsequently, the NCOA submitted a March 11 letter expressing support the Committee bill as modified from the bill as introduced.

VA Underutilized Property Inventory Requirement, Pilot Program, and Survey

The Murkowski amendment further sought to strike the requirement, in section 101(e) of the Committee bill, that the VA complete, within 180 days of the enactment date, an inventory of all VA facilities in order to determine which might be suitable for lease to non-profit organizations for the establishment of smelters for veterans and their families. Such an inventory, which was proposed in the testimony of The American Legion, would be a very useful resource for the VA.

The amendment would also have struck section 102 of the Committee bill which would require the VA to carry out a 24-month pilot program in ten geographic regions which have significant numbers of homeless veterans. This provision is one of the three basic components of S. 477, as follows: The provisions in section 101 authorizing VA actions to assist with the provisions of shelter for homeless veterans; VA efforts to assist directly homeless veterans through the pilot program in section 102 and the enhanced outreach efforts provided for in section 103; and data collection efforts, represented principally by the population survey in section 104.

Although these various elements can stand on their own, our intention is for them to function as an integrated effort. According to the Congressional Budget Office (CBO), there is no significant cost associated with the pilot program. In fact, it is my expectation that, should the provision be enacted, many of the aspects of the pilot program would make extensive use of existing personnel (such as the VA Voluntary Service, veterans' benefits counselors and contact officers, and Vet Center personnel).

To the extent that the motion to strike all of section 102 reflects opposition to the provisions calling for efforts to facilitate volunteer activities at VA facilities—and the fear that such direction could be misused to coerce employees into "volunteer" efforts on behalf of the homeless in order to appease their supervisors—the Committee bill was revised to include very strong anti-coercion provisions. I realize that it is not possible to check completely an overzealous supervisor, but the language in the last sentence of section 102 of the Committee bill on this point is very strong.

Central to our multi-faceted concept also is section 104, which would require VA in coordination with numerous other agencies, to carry out a survey so as to develop as estimate of the number and characteristics of veterans among the homeless population. The Murkowski amendment also proposed to strike this provision. If there was one issue about which there was near unanimity at the hearings on February 18 and 19, it was the significant void that exists on the question of how many homeless veterans there are.

Acquiring such basic information is the first step toward developing effective plans to utilize and mobilize appropriately the many resources of the VA to assist these individuals. The $1 million that CBO estimates the survey would cost would be money well spent in terms of the increased level of useful information we would gain.

PROPOSAL TO MAKE RATABLE SERVICE-CONNECTED DISABLED VETERAN ELIGIBLE FOR CHRONIC MENTAL ILLNESS CONTRACT SERVICES

The Murkowski amendment proposed to change the eligibility for the new program under section 620C of title 38 to furnish community-based contract care for veterans suffering from chronic mental illness (CMI) disabilities (enacted on February 12, 1987, by section 2 of Public Law 100-6) to add *all* veterans with service-connected disabilities. I am concerned that making such a large universe of veterans with any service-connected disability rated from ten to forty percent eligible for the relatively small amount of funds available for this contract-care program ($5 million in FY 1987) could have the result of denying care to others for whom the authority was originally intended. There are approximately 1.75 million veterans with service-connected disability ratings of 10 through 40 percent. Of this number, only approximately 185,000 carry neuropsychiatric ratings; and many of these, of course, do not suffer from service-connected CMI.

When our Committee developed this new authority in 1985 and 1986 in legislation which was reported out by the Committee and twice passed by the Senate, we provided eligibility to two groups of veterans—those receiving VA inpatient care for CMI disabilities and those veterans with service-connected disabilities rated at fifty percent or more who are suffering from a CMI disability. The former group was selected because that was the group of veterans that we believe could most benefit from gaining access to a new level of community-based care outside of an institution. The latter group of eligibles—those veterans with very serious service-connected disabilities—were selected in recognition of our historical commitment to furnishing comprehensive care to this group of veterans.

When the Murkowski amendment was enacted adding homeless veterans to the list of CMI-contract-care eligibles—by virtue of an amendment on the Senate floor on January 29 (without consideration by our Committee)—there resulted an inequity in terms of eligibility for such care for veterans with service-connected CMI disabilities. Historically, we have always given the highest priority for contract care to service-connected veterans in need of care *for* their service-connected conditions. It is for this reason that section 105(d)(1) of the Committee bill would add to the list of eligibles under section 620C those veterans needing care *for* a service-connected CMI disability (a universe substantially less than 185,000 veterans). I believe that that change adequately addresses the imbalance that was created when homeless, non-institutionalized veterans suffering from CMI disabilities were given eligibility for the new level of contract community care.

At this early stage of the implementation of this new section 620C authority—which in fact has not yet been implemented—I do

not believe it would be either appropriate or desirable to add such a potentially long list of eligibles who are neither institutionalized, nor homeless, nor in need of care for a service-connected CMI condition.

PROPOSAL TO AUTHORIZE LEGISLATIVELY THE CONVERSION OF DOMICILIARY CARE BEDS AND CONSTRUCTION OF NEW DOMICILIARIES AT LEGISLATIVELY SPECIFIED MEDICAL CENTERS

I join with Senator Murkowski in advocating the conversion of acute-care beds for domiciliary care. We have included $2 million for this purpose in our Committee's FY 1988 bipartisan budget recommendations transmitted on February 27 to the Budget Committee—specifically for the 948 beds at the 8 sites identified in the Murkowski amendment. However, my reasons for supporting that concept are based on it making good, practical sense from the standpoint of the most effective use of VA medical facilities in meeting the health-care needs of today's and tomorrow's veterans. With the need for extended-care in the VA system growing rapidly as the number of older veterans swells, and with a number of VA hospital facilities having underused space and beds, accelerating these conversions reflects sound, programmatic judgment.

However, I do not regard the creation of additional domiciliary beds—or any other form of additional VA health-care capacity—as a very effective or appropriate response to the need for shelter for homeless veterans.

Moreover, it seems clear that the bulk of the 948 domiciliary beds proposed would be located outside major urban areas where the needs of homeless veterans are greatest. I could support the domiciliary conversions in places such as Coatesville and Butler, Pennsylvania, Knoxville, Iowa, and Togus, Maine, or indeed Palo Alto, California, if the VA were to select these sites in accordance with its methodologies for establishing construction priorities. But, I have no illusions that these projects would or should play any major role in responding to today's homeless veterans' needs for shelter. Moreover, to the extent that such projects could provide any help to homeless veterans, that help would be at least 2 years away—certainly no substitute for making unused VA-acquired properties available right away for shelters run by nonprofit organizations for homeless veterans, especially those with homeless families.

By the same token, I might well eventually support the construction of new domiciliary facilities at Bonham, Texas, and Mountain Home, Tennessee—proposals which would be specifically authorized by the Murkowski amendment—if and when those projects are proposed by the VA in accordance with its new prioritization criteria. But, I don't see the construciton of those facilities 3 or 4 years down the road as a repsonse to the plight of today's homeless veterans, nor as a priority for the use of scarce VA construction dollars. There are many hospital modernization, nursing home, and outpatient clinic projects that I would rank far higher in terms of need.

I also believe it would be inappropriate for the Congress to begin identifying in authorizing legislation in a piecemeal fashion specific VA medical facility construction projects. Although it might or

might not be wise to drop our current construction-approval-resolution process in favor of annual authorization bills, as Senator Murkowski has proposed before, I cannot agree to placing in an authorization bill the specification of a handful of authorized domiciliary projects.

Furthermore, under current law, such authorizations are superfluous. There already exists a fully-functioning implied authorization for VA facility construction as well as for medical care appropriations—that is, appropriations are already fully authorized to be made for the very projects for which this amendment proposes specific authorization.

I also see particular hazards in the approach proposed because it would sidestep the VA's established methodologies for prioritizing facilities in terms of those most appropriate for the expenditure of funds for construction of facilities as well as the conversion of facilities to domiciliary care. In the case of two of the projects identified for conversion, the VA is a long way from making a specific proposal and either has no plans at all for a domiciliary conversion project or has no knowledge of the extent of construction required for the conversions.

Finally, let me re-emphasize my support for a budgetary and appropriations approach to the conversion projects. I am prepared to work cooperatively throughout the budget and appropriation process to seek this and the other funding we have proposed in our Committee's February 27 bipartisan budget views and estimates. I simply don't believe that this funding is really responsive to the homeless veterans' needs we are addressing in this bill nor at all appropriate for legislative authorization.

Waiving the 10-of-15 Week Unemployment Criterion for Homeless Veterans

Section 106 of the Committee bill would waive in the case of homeless (and 30-percent-or-more service-connected disabled veterans) the requirement that veterans of the Vietnam era or Korean conflict be unemployed for 10 of the previous 15 weeks in order to be eligible for training under the Veterans' Job Training Act (VJTA). This language reflects our deep concern that every reasonable opportunity be afforded homeless veterans to return to the mainstream of American life. In my view, the waiver of the 10-of-15 weeks criterion for homeless veterans and for 30-percent-or-more disabled veterans is perfectly reasonable in this context and does not unfairly place them ahead of other unemployed veterans.

In view of the dimensions of the homelessness problem facing this Nation, I believe we must strive to find every reasonable, feasible, fair way to combat this crisis, especially among veterans. As a result of our actions in recent years, programs and services needed to assist veterans suffering from drug and alcohol abuse and from chronic mental illness (CMI)—two of the major causes of homelessness—have been put in place and expanded. In regard to the CMI problem contributing to homelessness among veterans, our side supported Senator Murkowski's January 29, 1987, floor amendment in the Senate adding homeless veterans to the two categories proposed for eligibility for contract CMI care in community-based resi-

dential treatment facilities through the VA—namely, chronically mentally ill veterans in VA institutions and chronically mentally ill veterans with 50-percent-or-more-service-connected disabilities.

A third major cause of homelessness is lack of employment. To this end, waiving the 10-of-15-weeks unemployment criterion for homeless veterans would facilitate the opportunity for them to receive vitally-needed job training to aid them in returning to the mainstream of society—just as they have been made eligible for CMI services to promote that same end. That is why section 106(b)(3) of the Committee bill provided that eligibility.

I do not understand why it is good policy to create special categorical eligibility for these homeless veterans for CMI services and not for a job under VJTA.

Expanding VJTA Eligibility for Seriously Disabled Veterans as Contrasted With Proposal To Provide VJTA Eligibility for all Veterans

Under section 106(b)(3) of the Committee bill, VJTA eligibility would also be expanded to provide eligibility without regard to the 10-of-15 weeks unemployment criterion for Vietnam-era or Korean-conflict veterans with service-connected disabilities rated at 30 percent or more.

I have long believed, and continue to believe, that the sacrifices borne by our Nation's disabled veterans have earned them every opportunity a grateful Nation can provide to be productive, independent citizens. To this end, I believe that, when we give homeless veterans categorical eligibility for CMI contract services and VJTA participation, seriously service-connected disabled veterans—who, as a group, experience significantly higher rates of unemployment than nondisabled veterans—should be accorded the same eligibility. We have already recognized in VJTA the special needs of 30-percent-or-more-service-connected disabled veterans by providing that their subsidized training periods may be longer (up to 15 months as compared to 9 months). The same special recognition was afforded this category of severely disabled veterans in terms of eligibility for the benefit of affirmative action by Federal contractors required under section 2012 of title 38, United States Code, and for participation in the veterans' small business loan program authorized by chapter 37 of title 38. At the same time as we are waiving the 10-of-15-weeks unemployment eligibility criterion for homeless veterans, it is a logical extension of these other provisions manifesting special concern for the employment needs of veterans with serious service-connected disabilities to allow them the same opportunity to become eligible for VJTA in a more rapid fashion, thus enhancing their opportunities for accelerated placement in a training program which is designed to lead to a permanent job.

However, I cannot support at this point amending VJTA in order to extend eligibility to veterans of all service periods who meet VJTA's unemployment and length-of-service criteria.

Under current law, VJTA eligibility is limited to Vietnam-era and Korean-conflict veterans who have been unemployed 10 of the 15 weeks preceding application to the program and who either served at least 180 days on active duty or were discharged or re-

leased for a disability or have a compensible service-connected disability. Given that the funding for this job training program has historically fallen short of the levels needed to reach its many applicants (there is currently a backlog of 20,250 certified VJTA-eligible unemployed veterans), given the absence of hearings to evaluate the effect of such a major programmatic change, and given the need for Congress to be ever-mindful of the severe constraints on our budgetary resources, we should not, in my view, support such a large expansion of program eligibility at this time. I do recognize the very high unemployment rate among young, recently separated veterans, and will be working with Senator Murkowski to explore possible actions we could take to alleviate that unacceptable situation.

ALAN CRANSTON,
Chairman.

APPENDIX

This appendix contains the following four letters: February 25, 1987, letter from E. Philip Riggin, Director, National Legislative Commission, The American Legion to Senator Cranston; February 25, 1987, letter from Norman G. Staab, National Commander-in-Chief, Veterans of Foreign Wars to Senator Cranston; February 26, 1987, letter from Charles E. Joeckel, Jr., Executive Director, Washington Headquarters, Disabled American Veterans to Senator Cranston; and March 11, 1987, letter from Richard W. Johnson, Director of Legislation, Non Commissioned Officers Association, to Senator Cranston.

The American Legion

For God and Country

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006 ★
(202) 861-2700 ★

February 25, 1987

Honorable Alan Cranston, Chairman
Senate Veterans Affairs Committee
SR-414 Russell Senate Office Building
Washington, DC 20510

Dear Mr. Chairman:

The American Legion appreciates your efforts to address the problems of homeless veterans, as proposed in the committee print to amend S. 477. We also appreciate your willingness to respond to our concerns over several provisions contained in this measure when it was introduced.

Our organization remains committed to the integrity of the Loan Guaranty Revolving Fund and to the rights of veterans with defaulted home loans. The committee print contains several assurances which specifically address those principles. The print also responds to our concerns regarding identification/rehabilitation of VA facilities as potential homeless sites, definition of the homeless veteran population, outreach efforts to meet the needs of homeless veterans, and VA's current disposition of the chronically mentally ill.

The American Legion is convinced that a comprehensive approach to the problems of homeless veterans is a necessary follow up to the emergency measure recently approved by Congress under the leadership of members of this Committee. Your personal leadership on this issue has been quite apparent thus far in 1987, as demonstrated by the two hearings that you've chaired in addition to this legislative initiative.

We believe that the committee print amendments reasonably respond to the concerns noted above and that those amendments, therefore, do warrant the support of your committee colleagues.

Sincerely,

E. Philip Riggin, Director
National Legislative Commission

VETERANS OF FOREIGN WARS OF THE UNITED STATES

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THE COMMANDER-IN-CHIEF

February 25, 1987

The Honorable Alan Cranston, Chairman
Committee on Veterans' Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the more than 2.7 million members of the Veterans of Foreign Wars and its Ladies Auxiliary, I commend you for your compassionate effort in assisting our nation's homeless and particularly the homeless veteran. We join you in your concern to help resolve their most unfortunate and tragic situation.

Your legislation, S. 477, would represent a major step in identifying and assisting homeless veterans. As you know, the VFW testified in support of S. 477 with one exception. We had reservations concerning the provision which would grant the Administrator of the Veterans Administration the authority to transfer certain VA foreclosure properties to local government agencies or charitable organizations for the purpose of sheltering homeless veterans and their families. Inasmuch as our major concerns have been met by your amending language to S. 477, the VFW will not oppose the advancement of this bill.

With best wishes and kind regards, I am

Sincerely,

NORMAN G. STAAB
National Commander-in-Chief

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"Let "If I can't speak good of my comrade, I will not speak ill of him."
DISABLED AMERICAN VETERANS
NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

February 26, 1987

Honorable Alan Cranston
Chairman
Senate Veterans Affairs Committee
414 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Cranston:

I very much appreciate your sharing with me the amendments you have proposed to S. 477, The Homeless Veterans Assistance Act of 1987.

I want you to know that the proposed language of this measure has been carefully reviewed and scrutinized.

We note that Section 106 relating to the Veterans Job Training Program (VJTA) adds a new category of eligibles. We also understand that certain service-connected disabled veterans will receive priority consideration. While we are pleased to support the proposal which extends such a priority to service-connected veterans rated 30% or more disabled, the DAV continues to believe that all service-connected disabled veterans, even those with a 10% and 20% rating, should receive this extra measure of consideration.

DAV is supportive of the provisions in the bill which would authorize an extension of the VJTA. Nevertheless, $65 million may be inadequate to grant relief to scores of thousands of unemployed veterans and we continue to believe that VJTA should be an entitlement program. As you know, Title 38, Section 2111, United States Code, mandates certain employment services for Vietnam Era veterans through December 31, 1991. We believe VJTA should also be available, at least, through that date.

Although the DAV is unable to fully endorse S. 477, we do not necessarily oppose its enactment.

The proposed amendments address many of the concerns voiced by interested parties at your February 18 and 19, 1987 hearings, particularly with respect to the provisions relating to homeless veterans. Of continuing concern, however, is the issue of the

veteran's liability subsequent to any transfer of the property. Should transfer of the property occur, it is our understanding that the potential for the veteran's liability to be reduced will not exist. Therefore, we feel provisions should be made to release the veteran from any further liability after a fixed period of time elapses, i.e., five years subsequent to transfer of the property.

While we continue to advocate the VA providing assistance to homeless veterans via the existing statutory authority vested by Title 38, United States Code, and by utilizing existing VA facilities that are currently unused or underutilized, we are pleased that provisions in S. 477, as amended, provides such statutory authority to the VA.

Section 105 of this measure concerns the provision of health care and rehabilitative services to chronically mentally ill veterans. We are pleased to note that a priority to furnishing such care is being extended to service-connected disabled veterans.

Accordingly, given the improvements contained in the amendments to S. 477, as originally introduced, the DAV does not object to Senate passage of the measure.

Sincerely,

CHARLES E. JOECKEL, SR.
Executive Director
Washington Headquarters

CEJ:am

NATIONAL CAPITAL OFFICE

NCOA®

NON COMMISSIONED
OFFICERS ASSOCIATION

225 North Washington Street • Alexandria, Virginia 22314 • (703) 549-0311

March 11, 1987

Honorable Alan Cranston
Chairman
Committee on Veterans' Affairs
United States Senate
414 Russell Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

The Non Commissioned Officers Association is pleased to offer you its support for the amended version of S.477, the "Homeless Veterans' Assistance Act of 1987." Your amended proposal most adequately addresses the concerns offered by NCOA in my February 25th letter to you.

While NCOA remains concerned about preserving the integrity of the Veterans' Home Guaranty Program, it is also concerned with providing shelter to homeless veterans and their families. S.477 addresses both of these goals by limiting the circumstances under which homes can be transferred from the VA inventory. If the association had known of your intention to modify S.477 it would of supported the bill at the committee mark-up.

Your efforts on this legislation and particularly your willingness to modify the legislation to address the concerns of several veterans organizations are appreciated. Thank you for your continuing support of all veterans.

Sincerely,

Richard W. Johnson
Director of Legislation

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Fed. 15½ lbs.

MINORITY VIEWS OF SENATORS FRANK H. MURKOWSKI, ALAN K. SIMPSON, STROM THURMOND, AND ROBERT T. STAFFORD ON S. 477, THE PROPOSED "HOMELESS VETERANS' ASSISTANCE ACT OF 1987"

S. 477, as reported by the Committee, attempts to solve some of the problems of homeless veterans. We believe that the goals of this legislation are worthy; however, we do not support the approach. We strongly oppose certain provisions of S. 477, and therefore, we are submitting minority views on this legislation.

First, it is important to make clear we object only to the *approach* taken in S. 477—not in the need to assist the homeless, and in particular, homeless veterans. This is a serious problem and merits proper consideration.

The Veterans' Administration (VA)—through its $27 billion annual budget—provides far-reaching benefits and health care services for our Nation's 28 million veterans. This well-established infrastructure has for many years met the needs of veterans—many of whom are disabled, aged, or poor. In the area of veterans' benefits, the VA provides monthly compensation for those who were disabled in service and to their survivors and dependents. In addition, pensions provide a guaranteed minimum income to wartime veterans who are disabled or 65 years of age or older. The VA also provides educational benefits, job training, vocational rehabilitation and counseling, as well as home loan guarantees to assist veterans in purchasing a home. Through the VA's medical care system—the largest in the United States—the VA provides free hospital, nursing home, and domiciliary care to, among others, those who cannot afford to pay for health care services. Without this vast array of benefits and services, it is very likely that the homeless population would consist of even more veterans. The VA should be commended for its enormous contributions to homeless veterans and to the prevention of homeless.

The fact that the VA has done much to help veterans obtain education, jobs, homes, and health care services does not mean that more cannot be done to address the complex problem of homelessness. Let us keep in mind that mental illness, alcohol and drug abuse problems, and general psychological problems are major factors which contribute to homelessness among veterans. The difficult question is what additional action is appropriate for the VA to undertake to help homeless veterans? We believe additional efforts should be implemented within the context of the existing well-defined structure of benefits and services. It may be necessary to expand or fine-tune existing programs to address the homeless issue. In that light, we offered an amendment during the Committee markup which sought to meet the needs of homeless veterans within the current VA structure. Specifically, the amendment would have provided in part for an expansion of the VA's domicili-

ary program by authorizing an additional 1,100 domiciliary beds through new construction and conversion of existing VA space. The Majority opposed this amendment.

Homeless veterans need much more than a roof over their heads. They need medical treatment, counseling, and rehabilitation as well as vocational and job training in order to have the opportunity to lead happy and productive lives. The amendment sought to provide those essential services. Let us be clear that simply providing unsupervised shelter to the homeless—which we believe is a shortsighted approach—does not address the many complex problems which they face. VA clinicians have indicated that an effective long-term solution to homelessness must include components such as medical treatment, counseling, rehabilitation, and vocational and job training. We believe that housing homeless veterans—many of whom have chronic mental illness or alcohol and drug abuse problems—in unsupervised residential homes without adequate support services is unwise and inappropriate.

S. 477, as reported, would authorize the transfer of title of certain VA properties, acquired by the VA through foreclosures of homes financed by VA guaranteed loans, to organizations for the purpose of providing shelter to homeless veterans. In addition to the concerns raised above, we believe that this proposal threatens the viability and integrity of a program of immense value to veterans, active duty service members, and our Nation's economy—the VA Home Loan Guaranty Program. This Program has guaranteed over 12 million home loans since its inception. Unlike other veterans benefits this benefit is available to all veterans—those who served in peacetime as well as those who scaled the walls of Normandy. To receive this benefit a veteran does not need to be disabled or live near a VA medical center. This program is available in every city and town in America. 28 million veterans, their families, and future generations of American service members have a stake in the integrity of this program and its continued sound operation. The proposed transfer authority involves the transfer of property from the VA with *no reimbursement* to the Loan Guaranty Revolving Fund (LGRF) upon which the program depends. This unreimbursed transfer will result in additional losses to this fund which can only be recovered through appropriations or paid by veteran and active duty military homebuyers through an increase in the funding fee.

If, on the otherhand, the provisions of S. 477 which are intended to protect the LGRF are effective, then so few properties will be transferred that this bill will be ineffective in assisting homeless veterans.

We believe that once the *precedent* has been set to transfer properties at no cost, the Congress will face enormous pressure to expand this program and transfer even larger numbers of VA properties at no cost. This would lead to the transfer of so many properties that the integrity of the LGRF would be threatened. This precedent cannot and should not be treated lightly.

We believe there is no need for, and a great risk in, the precedent which this provision would establish. We further believe the effectiveness of this provision in sheltering homeless veterans will come at the expense of homebuying veterans. Given the infrastruc-

ture of the VA and the wide range of benefits which can be expanded, there is no need to create this inequity.

Additionally, there remain significant questions regarding the liability of veterans whose home loans have been foreclosed, and as a result, owe a debt to the government of up to $27,500. Under S. 477, as reported, their foreclosed homes would be given away at no cost to the transferee. On the otherhand, the sale of such a foreclosed home could potentially reduce the debt owed by the veteran. The VA has testified that "it would not be appropriate for the VA to dispose of properties which have potential for sale". Here in lies the paradox. All VA properties have potential for sale. The VA has never failed to sell a "hard-to-sell" property either on the open market or through VA auction irrespective of how long it was in the inventory. The bill, as reported, has provisions intended to protect the interest of these veterans. Again, if these provisions are effective, they will mean the transfer provision will be of little or no value to homeless veterans. We believe the VA should not be placed in the position of helping one veteran at the expense of others and having to decide which veteran, the former homeowner or a homeless veteran, should be put at disadvantage by a VA decision.

We disagree with the Majority's assertion that describing homes to be transferred in terms of the cost of maintenance and sale is appropriate protection for veterans of the LGRF. We note that any property can be sold at auction, if necessary. We further note that the real estate market can go up as well as down and depressed geographic areas can turn around. We have consistently urged the VA to aggressively market its properties. We continue to believe aggressive marketing to be in the best interest of the American veterans, the LGRF, and the taxpaying public.

We believe that the formula set forth in S. 477 is flawed. It requires the VA, when computing its holding and selling costs, to assume that the VA would maintain those properties in its inventory for 2 years. This is not, and should not, be the case. This is an erroneous assumption. Properties that are more costly to maintain for a given period of time, and where there is no reasonable likelihood that the market value would increase, should be sold immediately and not be held in the inventory for 2 years. On the otherhand, if as the Majority states there would be no loss to the LGRF as a result of this bill, we submit that these properties would not be suitable to serve as a shelter for homeless veterans and would cost substantial amounts to make habitable.

We note that for fiscal year 1988 the VA has requested that a 2.5 percent funding fee be imposed on veteran homebuyers. The Congress has been presented with the alternative of accepting such a fee or appropriating $411 million of the LGRF. We believe adoption of S. 477, as reported, will only increase losses to the LGRF and result in future difficult choices of this nature for the Congress.

We further note that throughout the Committee's deliberations on this issue, that all the major veterans' service organizations and the largest active duty military organization expressed stror.g concerns with regard to this provision. The AMVETS and the Non-Commissioned Officers Association strongly oppose this proposal. Copies of their letters appear at the conclusion of these views. The

VA has also indicated that several provisions contained in S. 477, as reported, will impose overly burdensome administrative oversight and enforcement responsibilities on the Veterans' Administration.

S. 477 also proposes to require the VA to conduct a pilot program to encourage its employees to volunteer their time and efforts to assist the homeless. We believe that activities provided under legislative mandate are no longer voluntary and that employees may feel coerced into participation. We are also concerned about singling out one worthy cause and bestowing legislative endorsement to it, to the exclusion of others. A volunteer must be able to choose a cause and make the decision to act on his or her own. Notwithstanding the improvements made to S. 477 as introduced, it is inappropriate to legislate volunteerism.

Finally, the legislation requires the VA, in conjunction with other federal departments, to conduct a study on the extent to which veterans are represented in the population of homeless. We have already overburdened the VA with too many time consuming and costly studies and reports. This study alone will cost the VA an estimated $1 million and we question whether the information it will yield will be useful. This provision diverts scarce resources from direct veteran assistance and puts those funds into the hands of consultants. It would be far more beneficial to homeless veterans to use the money for direct services to homeless veterans.

We also disagree with section 106 of S. 477, as reported, which would make homeless veterans eligible for the Veterans' Job Training Act (VJTA), a job training and employment program, without regard to the current requirement that an applicant have been unemployed for 10 of the 15 weeks prior to application. This program is not an entitlement and is not funded at a level which guarantees funding will be available for the training of all applicants. This means that the advantage provided to homeless veterans under this provision must come at the expense of jobless veterans who would otherwise be served. While we are sensitive to the desirability of providing job training to homeless veterans and assisting them in obtaining employment, we believe it is inappropriate to do so at the expense of other unemployed veterans who are equally deserving and whose financial situation may be equally desperate and may become homeless unless employment is found. We believe the program to be of significant value to homeless veterans in its current form since many homeless veterans will qualify under the current unemployment requirements.

Although we supported section 201 of the Committee bill, relating to the one year *extension* of the completion date for the transition of the Vet Center program, we do not intend for this to be interpreted as preventing the VA from moving forward with plans to implement the transition of certain appropriate Vet Centers prior to the 24 months preceding the completion date.

FRANK H. MURKOWSKI,
Ranking Minority Member.
ALAN K. SIMPSON.
STROM THURMOND.
ROBERT T. STAFFORD.

AMVETS

National Headquarters
4647 Forbes Boulevard, Lanham, Maryland 20706
(301) 459-9600

Joseph T. Piening
National Commander

February 26, 1987

The Honorable Alan Cranston
Chairman
Senate Committee on Veterans' Affairs
SR-414 Russell Senate Office Building
Washington, DC 20510

Dear Mr. Chairman:

Because of the time limitations which necessarily curtailed consideration of S477, the "Homeless Veterans Assistance Act of 1987," when we testified on 18 February, please permit us to expand our views on the subject.

AMVETS appreciates the compassionate motivation for the proposed legislation. There is no question that among the uncounted numbers of homeless people, veterans are represented. It is highly probable that the conditions of homeless veterans could, in many cases, be improved if they were to receive the veterans benefits and entitlements which the law provides. Although we doubt the efficacy of any outreach effort addressed to the chronically homeless, because of their essential alienation from conventional society, we support the provisions of Section 4 of S477, in order to evaluate whatever homeless outreach programs have been employed. AMVETS believes that until we thoroughly understand the dynamics of these efforts to inform the homeless veteran of his or her entitlements and to deliver them, we should refrain from instituting additional programs to deal with a problem, the dimensions and character of which we either do not understand, or the causes of which are far beyond the parameters of the Veterans Administration's authority or responsibility.

In general, it would appear that the congressionally proposed expenditure of approximately $570M on programs for the homeless attempts only to alleviate some of the symptoms of the problem. As usually occurs when a lot of money is thrown at a social problem without an appreciation of its causes, we succeed only in constructing a well financed bureaucracy to spend the money, but we do not solve the problem. In many cases we aggravate the situation. Among the salient causes which should be considered for the current homeless problem are rent control, the deinstitutionalization of the mentally incompetent and the misdirection of HUD funds into luxury hotels and shopping centers, rather than low cost and moderate housing.

We therefore cannot support what we consider a dangerous tampering with the VA loan guaranty program by the leasing or transfer without charge of collateral assets for homeless shelters or for any other purpose, other than reduction of costs to the system, which, as we know, is currently riding on budgetary thin ice. AMVETS believes that the provisions of Section 2 of S477 pose a potentially destructive threat to the fiscal integrity of the loan guaranty program, the impairment of which will surely increase the number of veterans without homes of their own, if not homeless veterans. We suggest as an alternative, the sale to municipalities or community service groups of selected foreclosed VA properties. This arrangement is currently being explored in the District of Columbia.

AMVETS believes that Section 5 of S477 would impose a wasteful and extremely expensive burden on the already limited resources of the VA, as well as DOL, DOD, HHS and HUD, in an effort to answer what are largely unanswerable questions. The only benefits to be derived from attempting to compile such a report on homeless veterans will inure to the consultants who are hired to go through such an exercise in futility. Subsection (b)(4)(A) of Section 5 of S477, in particular, would require at least a records check evaluation of all homeless persons who claim to be veterans, if not adjudication of their claims.

We note with particular concern, as we did in our statement for the record on 18 February, that the proposed assistance to homeless veterans is intended to draw on already scarce resources of the VA benefit, medical and administrative departments. We simply cannot afford, nor do we have a right to do so for what AMVETS considers to be largely cosmetic purposes.

Sincerely,

Joseph T. Piening
National Commander

JTP:DJP:pjf

cc: Senator Frank [redacted]urkowski
Representative G. V. (Sonny) Montgomery
Representative Gerald B. Solomon

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NON COMMISSIONED
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February 25, 1987

Honorable Frank Murkowski
Vice Chairman
Committee on Veterans' Affairs
United States Senate
202 Senate Hart Office Building
Washington, D.C. 20510

Dear Senator Murkowski:

I have recently sent the enclosed letter to Senator Cranston informing him that NCOA is withdrawing its support for those provisions of the Homeless Veterans Assistance Act of 1987 that authorizes the transfer of housing from the VA's loan guaranty inventory to homeless use. As stated in that letter we appreciate Senator Cranston's efforts on behalf of homeless veterans, but believe after more extensive consideration that the proposal will work to the disadvantage of a much larger segment of veterans than it will help. Accordingly, NCOA endorses your efforts to have these provisions stricken from the bill.

Thank you for your efforts in this matter.

Sincerely,

Richard W. Johnson
Director of Legislation

RWJ/car

NATIONAL CAPITAL OFFICE

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225 North Washington Street • Alexandria, Virginia 22314 • (703) 549-0311

February 25, 1987

Honorable Alan Cranston
Chairman
Committee on Veterans' Affairs
United States Senate
418 Russell Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

The Non Commissioned Officers Association recently submitted testimony to your committee in support of your bill S.477, the "Homeless Veterans Assistance Act of 1987." Our endorsement was prompted by a sincere desire to alleviate the shelter problems of homeless veterans. However, subsequent review of the proposal has revealed that Section Two may create many more problems than it resolves.

Section Two authorizes the Administrator of Veterans' Affairs to transfer housing from the VA's loan guaranty inventory to groups and organizations who agree to adapt and run these dwellings as shelters for homeless veterans and their families. Such transfers would be made at nominal charge or no charge. Considered only in this limited context the use of excess housing in the VA inventory of foreclosed homes seems very laudable. Yet, upon reflection NCOA has considered the extended results of such transfers.

The minute the VA transfers ownership of an inventory property, the original veteran owner becomes indebted to the VA for any loss suffered by the agency on the sale. As a direct result, many unfortunate veterans who have already lost their homes to foreclosure will involuntarily be forced to financially support this initiative.

Even if forgiveness is granted to individual veterans whose previously owned homes are transferred to homeless use the problem remains unsolved. First this would be unfair to other veterans who can not easily liquidate their indebtedness. Additionally, the transfer of housing will still deplete the assets of a Loan Guaranty Revolving Fund in need of $400 million in appropriations to remain solvent this year. As you know, the President wants to transfer this cost to veterans by increasing fees paid by veterans who participate in the loan guaranty program. Thus we believe a liquidation of housing under these circumstances will only fuel the firestorm of problems which currently plague program and will ultimately cost all veterans to suffer a loss.

Therefore NCOA must regretably withdraw its support for those provisions of S.477 that authorize the transfer of housing from the VA's loan guaranty inventory. NCOA commends and appreciates your efforts on behalf of homeless veterans and urges you to continue to seek ways to improve these services.

Thank you for your efforts on behalf of all veterans.

Sincerely,

Richard W. Johnson
Director of Legislation

cc: Honorable Frank Murkowski

RWJ/car